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# NEXSEN | PRUET

**Marcus A. Manos**  
Member  
Admitted in SC, NC, DC

March 1, 2006

**VIA HAND DELIVERY AND ELECTRONIC MAIL**

Charles L.A. Terreni  
Chief Clerk/Administrator  
The Public Service Commission of South Carolina  
Synergy Office Park  
101 Executive Center Drive  
Columbia, South Carolina 29211

RECEIVED  
2006 MAR -1 PM 4:41  
SC PUBLIC SERVICE  
COMMISSION

**Re: IN RE: DOCKET NO. 2003-273-E**  
**Aiken Electric Cooperative, Inc.-Complainant/Petitioner v.**  
**South Carolina Electric & Gas Company-Defendant/Respondent**

Dear Mr. Terreni:

Charleston  
Charlotte  
**Columbia**  
Greensboro  
Greenville  
Hilton Head  
Myrtle Beach

Enclosed for filing with the Commission is the original and eleven copies of an **Appendix of Testimony and Exhibits to the Record Cited in Aiken Electric Cooperative, Inc.'s Memorandum in Support of Motion for Summary Judgment and Appendix of Testimony and Exhibits to the Record Cited in Complainant's Reply in Support of Its Motion to Strike Respondent's Amended Answer.** Please return a copy of each, clocked-in, to me via our courier.

Each of the items attached to the Appendixes were previously file with the Commission and are part of the Record and as such were not attached to the Memoranda filed on February 27, 2006. Aiken Electric is filing the Appendixes to aid the Commissioners and Hearing Officer during their review of the Briefs.

By copy of this letter and as evidenced by the attached Certificate of Service, we are serving counsel of record with a copy of the above documents.

Thank you for your consideration.

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**Attorneys and Counselors at Law**

# NEXSEN | PRUET

Charles L.A. Terreni  
March 1, 2006  
Page 2

With best regards, I am

Very truly yours,

A handwritten signature in black ink, appearing to read 'Manos', with a large, sweeping flourish at the end.

Marcus A. Manos

MAM/vlm

Enclosures

cc w/encl.: Mitchell M. Willoughby, Esquire  
James B. Richardson, Jr., Esquire  
Shannon Bowyer Hudson, Esquire  
Wendy B. Cartledge, Esquire  
Patricia Banks Morrison, Esquire

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-0273-E**

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SC PUBLIC SERVICE  
COMMISSION

**IN THE MATTER OF**

AIKEN ELECTRIC COOPERATIVE, INC.,

Complainant,

vs.

SOUTH CAROLINA ELECTRIC & GAS  
COMPANY,

Respondent.

**CERTIFICATE OF SERVICE**

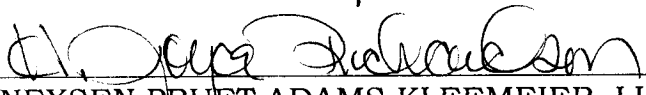
The undersigned certifies that a copy of the **Appendix Of Testimony And Exhibits To The Record Cited In Aiken Electric Cooperative, Inc.'s Memorandum In Support Of Motion For Summary Judgment** has been served upon counsel of record via electronic mail and hand-delivering a copy of the same on the 1<sup>st</sup> day of March, 2006, to the addresses shown below.

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Columbia, South Carolina

178238

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-273-E**

**IN RE:**

Aiken Electric Cooperative, Inc.,

Complainant,

vs.

South Carolina Electric & Gas  
Company,

Respondent.

**APPENDIX OF TESTIMONY AND  
EXHIBITS TO THE RECORD CITED IN  
AIKEN ELECTRIC COOPERATIVE,  
INC.'S MEMORANDUM IN SUPPORT  
OF MOTION FOR SUMMARY  
JUDGMENT**

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1. Deposition Designation of Grover Croft filed by Aiken Electric Cooperative, Excerpts cited at pages 2, 9, 10, 11, 12, 14, and 15 of Brief
2. Pre-filed Amended Rebuttal Testimony of James Bell cited at pages 2, 3, 9, 12, and 15 of Brief
3. Pre-filed Direct Testimony of James Bell cited at pates 2 and 9 of Brief
4. Pre-filed Direct Testimony of Gary Stooksbury cited at pages 2, 9 and 12 of Brief
5. Pre-filed Direct Testimony of William Harbuck cited at page 3 of Brief
6. Exhibit Q to Direct Testimony of James Bell cited at page 3 of Brief
7. Exhibit T to Amended Rebuttal Testimony of James Bell cited at page 3 of Brief
8. Exhibit U to Amended Rebuttal Testimony of James Bell cited at pages 3 and 12 of Brief
9. Exhibit V to Amended Rebuttal Testimony of James Bell cited at pages 3 and 12 of Brief
10. Exhibit W to Amended Rebuttal Testimony of James Bell cited at page 3 of Brief

11. Pre-filed Rebuttal Testimony of Gary Stooksbury cited at pages 8 and 9 of Brief
12. Exhibit L to Direct Testimony of James Bell cited at page 12 of Brief
13. Exhibit X to Rebuttal Testimony of Gary Stooksbury cited at pages 13 and 14 of Brief
14. Pre-filed Direct Testimony of Phil Lindsey cited at page 15 of Brief

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-273-E**

**IN RE:**

Aiken Electric Cooperative, Inc.,

Complainant,

vs.

South Carolina Electric & Gas  
Company,

Respondent.

**DEPOSITION DESIGNATIONS OF**

**GROVER CROFT**

Pursuant to Regulation 103-871, we are filing deposition designations of Grover Croft in the above matter.



Marcus A. Manos  
J. David Black  
NEXSEN PRUET, LLC  
1441 Main Street, Suite 1500  
Post Office Drawer 2426  
Columbia, South Carolina 29202  
(803) 771-8900

Attorneys for Complainant Aiken Electric  
Cooperative, Inc.

February 13, 2006.

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2003-273-E

IN RE:

AIKEN ELECTRIC COOPERATIVE, INC.,

Plaintiff(s),

vs.

SOUTH CAROLINA ELECTRIC & GAS COMPANY,

Defendant(s).

D E P O S I T I O N

WITNESS: GROVER CROFT

DATE: Thursday, January 12, 2006

TIME: 10:01 a.m.

LOCATION: South Carolina Electric & Gas Company  
108 North Cedar Street  
Summerville, South Carolina

TAKEN BY: Attorneys for the Plaintiff

REPORTED BY: SHERI L. BYERS  
Registered Professional Reporter

-----  
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1 looking at the line that crosses the other side of the  
2 road to the Hunter-Kinard-Tyler school, can you recall  
3 that specific line serving anything on July 1st, 1969,  
4 as distribution?

5 A. I'd have to say that everything served off of  
6 it was distribution, that carried -- it served a -- the  
7 load in small, small towns around this -- around this.  
8 It was used to distribute to these towns.

Q. Okay. [REDACTED] about it was  
[REDACTED] to a box car, [REDACTED] to  
[REDACTED] Norway, [REDACTED] to [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

16 Q. Okay. So to the best of your recollection?

17 A. To the best of my recollection.

MR. BLACK: [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED]  
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

21 BY MR. BLACK:

22 Q. Mr. Croft, are you familiar with that  
23 document?

24 A. Yes, sir.

Q. [REDACTED] [REDACTED] [REDACTED] [REDACTED]

1 Q. Okay. There's also another marker on there,  
2 I believe it's 111 feet to the west of that line.

3 A. Right.

4 Q. Is it your opinion that that would be the  
5 same?

6 A. Yes.

Q. Okay. [REDACTED]

[REDACTED]

[REDACTED]

10 Q. Okay. Mr. Croft, I'm going to ask you to  
11 look at another map, SCE&G 144 is the Bates number.  
12 It's another blow up of the territory.

13 We'll mark that as Exhibit C, Madame Court  
14 Reporter.

15 Would you identify SCE&G's line on there for  
16 me, sir?

17 A. Again, it's on the south side of the road.

18 Q. And Aiken Electric's line, is it on the north  
19 side of the road?

20 A. Yes, sir.

21 Q. Okay. And looking at Aiken Electric's line,  
22 would it be fair to say there's approximately five to  
23 six service spurs off of that line?

24 A. If you're counting this as more than one,  
25 yes.

1 A. Yes.

2 Q. Okay. Are you aware of Aiken Electric ever  
3 agreeing that this 46 kV line that we're all talking  
4 about today was a distribution line?

5 A. Ever doing what?

[REDACTED] Did Aiken Electric ever agree that this

[REDACTED] distribution line that this 46 kV line was a distribution

[REDACTED] line?

[REDACTED] Yes, sir.

[REDACTED] Okay.

[REDACTED] And you said that you were not a distribution line?

[REDACTED] Please.

[REDACTED] And you might agree, Mr. Croft?

[REDACTED] Yes, I said 46 kV and I had reference to the 46 kV

[REDACTED] distribution line that was a distribution line.

[REDACTED] And as a distribution line, they would be a distribution

[REDACTED] line and they would be carrying the power that was being

[REDACTED] carried in the distribution line that was being

[REDACTED] carried and if they were carrying the power, it would be a

[REDACTED] distribution line, wouldn't it?

[REDACTED] Yes, sir. I would think so.

[REDACTED] And you said that you were not a distribution line?

[REDACTED] Yes, I said that you were not a distribution line.

[REDACTED] And you said that you were not a distribution line?

[REDACTED] Yes, sir.

[illegible]

21 BY MR. BLACK:

22 Q. Mr. Croft, while he's making that copy, we'll  
23 talk a little bit more about the document. If you  
24 think you need the document, I'll certainly pause and  
25 we can look at it again. But it referred mylar films,

3 Q. Okay. And that would make sense because it  
4 would appear that the real issue in documenting the  
5 lines would be the lines that appear next to the  
6 cities, towns where SCE&G really is trying to get that  
7 growing room; is that correct?

8 A. That wasn't what we were doing. We were  
9 carrying out the commission's order that all suppliers'  
10 lines would be shown on these maps before we started  
11 negotiations. We didn't have any choice. It was the  
12 commission's -- the commission was responsible for  
13 territorial assignment beyond all suppliers' corridor  
14 rights. They assigned all areas that were more than  
15 300 feet from any existing line. There is no way we  
16 could have worked territorial assignment without  
17 showing all the lines.

18 Q. Okay. So the maps show all lines, that's  
19 correct?

20 A. All lines.

21 Q. And it would have been far more difficult to  
22 show part of the lines because you would have to go in  
23 and negotiate and say, well, why is that line not  
24 there, et cetera, right?

25 A. Oh, it would be endless. It was bad enough,

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

8 Who was Mr. -- you've told me Mr. Fritz was  
9 the person that you reported to; is that right?

10 A. Yeah. He is senior vice president  
11 administration.

12 Q. And H.G. Boylston, who was that, Mr. Croft?

13 A. He was in the -- he worked for Allen Mustard.  
14 He was in the rates and commercial department.

15 Q. D.R. Tomlin?

16 A. He was manager of distribution, operations  
17 for the northern division. Probably for the company by  
18 then.

19 Q. And B.M. Smith?

20 A. B. Marion Smith was the young man that headed  
21 up the industrial development group. A.J. Perrone,  
22 we've already discussed, he was in charge of the  
23 engineering services section, which had the drafting  
24 section and the mapping.

25 Q. So engineering services stated that

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12                   For the life of me, I don't know which line  
13       this actually applies to, but all lines shown on the  
14       maps had corridor rights that was not -- you know, that  
15       was not negotiable or -- and the fact that the line was  
16       shown on the map had to carry these rights. "The  
17       service rights of this line will have to be determined  
18       in our negotiations," had to refer to serving the area  
19       adjacent to this line outside of the corridor. We  
20       could not -- you know, all lines had corridor rights,  
21       and I can't -- I'm sorry, I can't remember what the  
22       question -- what the background of the question was, I  
23       just can't remember it.

[REDACTED]

[REDACTED]

1 Q. So the line's sole function -- were you going  
2 to --

3           A.    They have the right to, they just didn't have  
4   the customer.

5 Q. I understand that. So the line's sole  
6 function as of July 1st, 1969, the date that the  
7 legislature uses for territorial assignment was to  
8 transfer power?

9           A.    The distribution of power.

10 Q. To transfer power?

11           A.     Distribution of power.

12 Q. You and I both don't like using each others'  
13 words, do we?

14                    A.    Right.

CONFIDENTIAL

CAR POLICE DISTRICTS POWER STATION WILSON ONE CASE

The figure consists of two side-by-side line graphs. Both graphs have 'Rate of reaction' on the y-axis and 'Temperature' on the x-axis. The left graph shows a curve that starts at a low rate at low temperatures and rises very steeply as temperature increases, indicating a high activation energy. The right graph shows a similar curve, but it rises more gradually with temperature, indicating a lower activation energy.

[illegible]

**Figure 1**

21           A.    Before or after it was green?

22 Q. As of July 1st, 1969, when it was green. And  
23 frankly before, if you would like to tell me before.  
24 At any time before or after territorial assignment, was  
25 that line ever --

1           A.    Before territorial assignment came about,  
2           this line would have served any customer that it had  
3           the opportunity to serve.

4           Q.    Is that back when you considered it to be a  
5           transmission line?

6           A.    No.  It was already out of the transmission  
7           system.  We were trying to utilize the line in any way  
8           we could.

9           Q.    Okay.

10          A.    We would not go hang single customers or  
11          small businesses even on a transmission line because it  
12          jeopardizes the reliability of the line.  You don't --  
13          that's not acceptable.  This line was considered a  
14          distribution line and we could tap on to it anywhere we  
15          had the opportunity.

16          Q.    Okay.  And that was prior to territorial  
17          assignment, correct?

18          A.    Yeah.

19          [REDACTED]

20          [REDACTED]

21          [REDACTED]

22          [REDACTED]

23          Q.    Okay.

24          A.    Not at this point.  You said through here?

25          Q.    Yes, sir.  And the point, so that the record

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-273-E**

FILED  
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SOUTH CAROLINA  
PUBLIC SERVICE COMMISSION

**IN RE:**

Aiken Electric Cooperative, Inc.,

Complainant,

vs.

South Carolina Electric & Gas  
Company,

Respondent.

**AMENDED REBUTTAL TESTIMONY**

**OF JAMES F. BELL**

1    **Q:    Please state your name and your address for the Commission.**

2    A:    James F. Bell, 1737 Carolina Drive SW, Aiken, South Carolina 29801.

3    **Q:    Did you previously file Direct testimony in this matter?**

4    A:    Yes.

5    **Q:    Have you reviewed the pre-filed testimony of the SCE&G witnesses?**

6    A:    Yes, I have.

7    **Q:    Do you agree with the statements in William Harbuck's pre-filed**  
8        **testimony?**

9    A:    No, I do not believe that Mr. Harbuck was involved in the territorial  
10       assignment process. He confuses a very important point. On P. 4 l. 18 -  
11       P. 5 l. 7, he testifies that SCE&G served C&S Farms off of the same 46kV  
12       line that serves the Hunter Kinard Tyler (HKT) School and the Norway

1 Medical Clinic. Although this may be true today, it is entirely irrelevant  
2 as Mr. Harbuck admits that SCE&G did not serve the farm until the mid-  
3 eighties. There is no need to confuse or further complicate the facts  
4 before the Commission, as of July 1, 1969, SCE&G did not use the 46kV  
5 line in front of the HKT School for anything other than linking and  
6 transferring electricity between the Springfield sub-station and the  
7 Norway sub-station. I know because I visually inspected the line in that  
8 time period.

9 **Q: Do you agree with the statements in Robert Hazel's pre-filed**  
10 **testimony?**

11 A: There are several areas within Mr. Hazel's testimony that I take issue  
12 with. For example on P. 6 ll. 5-19, Mr. Hazel testifies that SCE&G  
13 dedicated its lines to distribution, and that it did not matter how the  
14 energy originated or what it was used for in the past. It is extremely  
15 important to realize that although SCE&G may have been attempting to  
16 dedicate 46kV lines for future transmission, the 46kV line in front of the  
17 HKT School and Norway Medical Clinic was not being used for  
18 distribution on July 1, 1969. It simply ties SCE&G's Springfield sub-  
19 station to the Norway sub-station. SCE&G did not have a single service  
20 drop in Aiken Electric's green area extending down the highway in front  
21 of the HKT School. As I recall, SCE&G wanted "more growing room" that  
22 is the very reason SCE&G attempted to assert corridor rights from the  
23 46kV transmission line.

1 As the SCE&G witnesses have testified, 46kV was historically used as a  
2 transmission line by SCE&G. In order to attempt to grow through the  
3 territorial assignment process, SCE&G tried to argue that 46kV was no  
4 longer transmission but distribution. This would allow SCE&G  
5 substantial growing room as they could assert corridors off of their  
6 transmission lines linking rural towns together. I, nor Aiken Electric,  
7 ever agreed that 46kV was a distribution line. The documents and  
8 letters between the parties directly contradict SCE&G's position in this  
9 action.

10 On P. 7 ll. 4-7, Mr. Hazel attempts to define what "Mr. Bell" thought a  
11 distribution line was. I do not agree with his testimony on this point, as  
12 the documents between Aiken Electric and SCE&G clearly show, Aiken  
13 Electric never thought that SCE&G's 46kV line was a distribution line  
14 and as the several letters and memoranda from Mr. Perrone and Mr.  
15 Croft illustrate, SCE&G informed Aiken Electric that the signatures on  
16 the mylar maps did not mean that Aiken Electric was agreeing that  
17 SCE&G's 46kV lines were distribution lines entitled to corridor rights.

18 **Q: Do you agree with the statements in Grover Croft's pre-filed**  
19 **testimony?**

20 **A:** No, as with Mr. Hazel, there are several areas in Mr. Croft's testimony  
21 that I disagree with. Throughout Mr. Croft's testimony on P. 21 l. 3 - P.  
22 24 l. 19; P. 25 ll. 1-7; and P. 25 l. 8 - P. 26 l. 21, Mr. Croft bases his  
23 expert opinion on two factors (1) that the mere fact that the line is on the

1 map means that it is a distribution line; and (2) that Aiken Electric  
2 agreed that SCE&G could assert distribution corridor rights off of the line  
3 due to the signature block on the maps. Both of these factors ignore a  
4 crucial point. **Aiken Electric never agreed that the maps only**  
5 **contained distribution lines.** In fact, Aiken repeatedly was assured by  
6 SCE&G that the signatures did not mean that Aiken Electric agreed that  
7 the lines on the map carried any type of service or corridor right. See,  
8 **Exhibit T**, A.J. Perrone September 17, 1970 Letter to James Bell;  
9 **Exhibit U**, A.J. Perrone September 17, 1970 Memorandum to Grover  
10 Croft outlining Mr. James Bell's visit; and **Exhibit V**, March 18, 1971  
11 Grover Croft Letter to James Bell.

12 Additionally, on October 9, 1970, Mr. Croft drafted a memorandum to  
13 document his visit with Mr. Barney Snowden. In this memorandum, Mr.  
14 Croft detailed Mr. Snowden's concerns regarding SCE&G placing 46kV  
15 lines on the maps:

16 The second major point of discussion that took place  
17 had to do with the 46kV lines and their rights. After  
18 much discussion about this, Barney asked me a point  
19 blank question. He asked if we intended to claim that  
20 all 46kV lines were distribution lines. I answered him  
21 in the affirmative. I stated that these were lines  
22 recognized by the law **and in some cases we would**  
23 **possibly not have the 300-foot corridor** or assigned  
24 exclusive areas, but that we intended to negotiate for  
25 the right to serve **with unassignment as the bottom**  
26 **of the barrel anywhere along these lines.**

27  
28 See **Exhibit W**, Grover Croft October 9, 1970 Memorandum.

1 In light of the above documents, and as further discussed in my rebuttal  
2 testimony addressing Mr. Hubert Young's initial testimony, there was no  
3 agreement between the parties. As Mr. Croft stated in his memorandum,  
4 some 46kV lines, such as the line in this case, do not have corridors.  
5 Therefore, because there was never an agreement, the Commission must  
6 determine if the 46kV line is afforded a corridor right due to the manner  
7 in which it was used on July 1, 1969.

8 On P. 28 l. 17 - P. 29 l. 18, Mr. Croft attempts to testify for Mr. Snowden  
9 by testifying that by the term "*substantial corridor*," Mr. Snowden was  
10 referring to some other form of corridor other than the legally defined  
11 term that was used throughout the territorial assignment process.  
12 During my numerous encounters with Mr. Snowden, the term "corridor"  
13 meant exactly that, the 600 foot section surrounding the distribution  
14 lines. There is absolutely no way Mr. Croft or SCE&G's lawyers know  
15 exactly what Mr. Snowden was referring to. The "substantial corridor"  
16 just as likely meant the more than 10 mile x 600 foot large swath of  
17 territory SCE&G was attempting to gain by characterizing the 46kV line  
18 as distribution. This would be a substantial corridor as it would be 600  
19 feet wide for more than 10 miles as it follows SCE&G's 46kV line between  
20 the rural towns of Springfield and Norway. The point here is that neither  
21 party should speculate, Mr. Snowden is deceased and the document  
22 speaks for itself.

1 **Q: Do you agree with the statements in Hubert Young's pre-filed**  
2 **testimony?**

3 A: No, there are several areas in Mr. Young's pre-filed testimony that I do  
4 not agree with based on my knowledge of distribution and transmission  
5 facilities. For example throughout P. 3 l. 4 - P. 13 l. 17, Mr. Young  
6 completely ignores the historical facts before the Commission in order to  
7 reach a present day conclusion that supports SCE&G's position in this  
8 matter.

9 Specifically, on P. 9 l. 1 - P. 10 l. 6, Mr. Young testifies that the 46kV line  
10 extending in front of the HKT School and the Norway Medical Clinic  
11 qualifies as a distribution line pursuant to the Federal Energy Regulatory  
12 Commission (FERC) factors.

13 **Q: What is the test in South Carolina to determine whether a line**  
14 **carried a corridor as of July 1, 1969?**

15 A: In my experience, directly participating in the South Carolina territorial  
16 assignment process, the test that the Cooperatives and SCE&G used is  
17 found in the South Carolina Code not the Federal Electric Regulatory  
18 Commission procedures.

19 **Q: How did the parties define a line at the time of territorial**  
20 **assignment?**

21 A: We used the definition in the South Carolina Territorial Assignment Act.  
22 In the Territorial Assignment Act, the South Carolina legislature defined  
23 the term "line" as used in the corridor statute as:

1                   (3) The term "line" means . . . any electric  
2 conductor operating at a nominal voltage level in  
3 excess of 25kV and less than 48kV where it is  
4 established to the satisfaction of the other electric  
5 suppliers in the county or counties where such  
6 conductor is located, or in the absence of such  
7 agreement, to the satisfaction of the Public Service  
8 Commission, that the primary purpose and use of  
9 such conductor is for the distribution of electric power  
10 and not for the transmission of bulk power from one  
11 area to another; and, provided, further, that the term  
12 "line" shall include any other electric conductor  
13 operating at a nominal voltage level in excess of 25kV  
14 and less than 48kV, except that, until it is determined  
15 that such conductor is a distribution line in  
16 accordance with the preceding proviso, the service  
17 rights with respect to premises located wholly within  
18 three hundred feet of such conductor shall not be  
19 exclusive.  
20

21 S.C. Code Ann. § 58-27-610.

22 Because neither Aiken Electric nor the Commission ever agreed on the  
23 status of SCE&G's 46kV line between the rural communities of  
24 Springfield and Norway, it is only afforded a corridor if it was not used  
25 for the transmission of bulk power on July 1, 1969.

26 **Q: What was the 46kV tie line between Springfield and Norway used for**  
27 **on July 1, 1969?**

28 A: Transmission of power between SCE&G's Springfield and Norway  
29 substations. SCE&G is not able to point to a single distribution service  
30 drop as of July 1, 1969, between Springfield and Norway. I am very  
31 familiar with that stretch of line and I never recall SCE&G serving  
32 anything off of it in 1969 or the early 1970s. Based on my recollection  
33 and a thorough review of the maps, it is my opinion that the line served

1 no other purpose than a tie line between SCE&G's sub-stations in  
2 Springfield and Norway.

3 In order to get around this fact, Mr. Croft and Mr. Young attempt to paint  
4 the 46kV line as one "giant distribution" loop linking several  
5 geographically separate rural communities together. The mere fact that  
6 it links several rural communities together illustrates that on July 1,  
7 1969, it was a transmission line linking and transferring power between  
8 SCE&G's sub-stations in Springfield and Norway. Additionally,  
9 according to SCE&G's deposition testimony, the 46kV tie line did not  
10 serve a single premises within what became Aiken Electric's territory on  
11 July 1, 1969. As previously stated, it served no other purpose than to  
12 transfer power between SCE&G's substations in Springfield and Norway  
13 tying SCE&G's system together. Thus, it fails both of the tests and is not  
14 afforded corridor rights.

15 **Q: Did the 46kV tie line meet the definition of a line as codified in**  
16 **Section 58-27-610 of the South Carolina Code?**

17 A: No, as of July 1, 1969, the SCE&G tie line did not meet the "line"  
18 definition as found in Section 58-27-610 of the South Carolina Code.  
19 The 46kV tie line was used for nothing more than transferring bulk  
20 power between SCE&G's Springfield and Norway sub-stations.

21 **Q: What is the FERC factor test that Mr. Young refers to in his pre-filed**  
22 **testimony?**

1 A: It is my understanding that it is a list of seven factors that the Federal  
2 Energy Regulatory Commission uses to distinguish distribution lines  
3 from transmission lines.

4 **Q: Does the South Carolina Public Service Commission use the FERC**  
5 **test, which Mr. Young refers to in his pre-filed testimony, to**  
6 **distinguish between transmission and distribution lines?**

7 A: Not that I am aware of. During my many years in the industry, it was  
8 always my understanding that the Commission used and continues to  
9 use the "line" definition as codified by the South Carolina legislature in  
10 Section 58-27-610 of the South Carolina Code. That is the definition  
11 that we used when we were in the field.

12 **Q: As of July 1, 1969, what retail customers was the 46kV tie line in**  
13 **close proximity to between Norway and Springfield?**

14 A: The line was not in close proximity to a single retail customer in 1969.  
15 In fact, in reviewing the maps, as of July 1, 1969, SCE&G did not serve a  
16 single premises within Aiken Electric's territory between Springfield and  
17 Norway. As of July 1, 1969, the line was a tie line connecting SCE&G's  
18 system in Springfield to Norway. Realizing this problem, Mr. Young  
19 ignores the South Carolina definition of "line" in order to characterize  
20 SCE&G's tie line as one giant distribution loop serving SCE&G  
21 customers in a totally separate geographical area. There is not a  
22 customer in close proximity to the tie line between Springfield and  
23 Norway, and the line does nothing more than connect two sub-stations.

1   **Q:   Are SCE&G's local distribution facilities connected to the 46kV tie**  
2       **line primarily radial in nature?**

3       No. The 46kV tie line running between the Springfield and Norway sub-  
4       stations is not radial in character. As of July 1, 1969, it served no other  
5       purpose than to tie SCE&G's system together between Springfield and  
6       Norway. An excellent example of a distribution loop described by Mr.  
7       Young is the actual distribution to the HKT School. It exits the 46kV tie  
8       line between Springfield and Norway, it is stepped down, then distributes  
9       to the school and ball park prior to looping back to the 46kV tie line. The  
10      46kV tie line between Springfield and Norway is not a loop. Again, the tie  
11      line does nothing more than connect two substations.

12   **Q:   How does the power on the 46kV tie line flow versus how the power**  
13       **would flow on a distribution line?**

14   A:   In a local distribution line power typically flows into the system and is  
15       then distributed directly to customers. The 46kV line at issue is not a  
16       local distribution line as power flows out of the local geographical areas  
17       that the line transmits power to. For example, power flows out of the line  
18       in at least two separate geographical areas, the sub-stations in  
19       Springfield and Norway.

20   **Q:   Where did the 46kV tie line transport the power it carried on July 1,**  
21       **1969?**

22   A:   The 46kV tie line transported power to at least two different rural  
23       geographical markets, Springfield and Norway. As of July 1, 1969, the

1 line did not distribute power within what became Aiken Electric's  
2 territory running between Springfield and Norway.

3 **Q: As of July 1, 1969, was the power entering the 46kV tie line**  
4 **consumed in a comparatively restricted area?**

5 A: No, the power entering the 46kV tie line was not consumed in a  
6 comparatively restricted geographical area. In fact, using Mr. Young's,  
7 example, it is consumed in at least two separate geographical areas,  
8 Springfield and Norway.

9 **Q: Where are the meters off of the 46 kV tie line located?**

10 A: Today the meters off of the 46kV tie line between the Springfield and  
11 Norway sub-stations are located at each service drop after the power is  
12 stepped down to a distribution load. There were no meters in 1969.

13 **Q: On July 1, 1969, would 46kV have been considered a typical**  
14 **distribution voltage?**

15 A: No, 46kV was not a typical distribution voltage in July of 1969. As I  
16 testified in my initial testimony, it would be unusual for a utility to use  
17 46kV as distribution voltage then. In the late sixties, local distribution  
18 systems typically operated at voltages of 25kV or less. In fact, at that  
19 time in history, a large number of distribution systems operated at  
20 voltages of less than 14kV with some systems still operating at 4kV.

21 **Q: Does the loop form one giant distribution line as Mr. Young**  
22 **contends?**

1 A: No, as of July 1, 1969, the 46kV line between Springfield and Norway  
2 had no other purpose than to tie SCE&G's facilities together in two  
3 separate rural geographical areas, Springfield and Norway. It would  
4 appear absurd for SCE&G to distribute power between Springfield and  
5 Norway on July 1, 1969, as that area was nothing but rural, hence the  
6 geographical area in question being assigned to Aiken, the Rural Eclectic  
7 Cooperative in the area.

8 Under SCE&G's "one giant loop" logic, as of July 1, 1969, the majority of  
9 SCE&G's entire system could be viewed as one distribution line, clearly  
10 this is not what the parties intended as "tie lines" are not distribution  
11 lines.

12 **Q: On P. 10 l. 7 - P. 13 l. 17, Mr. Young testifies that the line was used**  
13 **for distribution purposes as of July 1, 1969; do you agree with his**  
14 **testimony?**

15 A: In order for Mr. Young to reach this conclusion he describes the line as  
16 "distributing power within the local area." On July 1, 1969, the line did  
17 not distribute power between Springfield and Norway; it merely  
18 connected two portions of SCE&G's system together by serving as a tie  
19 line between two rural communities, Springfield and Norway.

20 **Q: Is SCE&G's service off of the 46kV line today the same as it was on**  
21 **July 1, 1969?**

22 A. No, although Mr. Young testifies on P. 11 l. 1, that the 46kV line is  
23 exactly the same today, it is not. On July 1, 1969, SCE&G was not

1 serving a single customer in the rural territory between Springfield and  
2 Norway. Today, SCE&G is serving the Norway Medical Clinic and the  
3 HKT School off of the 46kV tie line.

4 **Q: What was the purpose of SCE&G's 46kV line from Springfield to**  
5 **Norway on July 1, 1969?**

6 A. As I previously testified, the primary purpose of SCE&G's line between  
7 the rural communities of Springfield and Norway was to transfer bulk  
8 power between the communities. Contrary to Mr. Young's testimony on  
9 P. 11 ll. 7-22, the 46kV tie line did nothing more than tie two  
10 geographical areas of SCE&G's territory together, Springfield and  
11 Norway.

12 **Q: Are tie lines distribution lines?**

13 A: No, in fact, SCE&G agreed that all tie lines existing as of July 1, 1969 did  
14 not carry corridor rights. I have reviewed SCE&G Document Bates  
15 Numbered 684-685, **Exhibit X**, Agreement between the Power  
16 Companies and Electric Cooperatives of South Carolina and SCE&G and  
17 the document specifically states that SCE&G agreed that:

18 **Tie lines, which are lines built not to serve**  
19 **customers but to connect two portions of an**  
20 **electric supplier's system, shall not receive**  
21 **corridor rights.**

22 Id.

23 Accordingly, a tie line that connects two portions of SCE&G's system,  
24 here Springfield to Norway, did not receive corridor rights. This was

1       agreed on by SCE&G and the Cooperatives during the territorial  
2       negotiation process.

3   **Q: Are you aware of any other documents that contradict Mr. Young's**  
4       **testimony?**

5   A: Yes, as pointed on in my initial pre-filed testimony, on numerous  
6       occasions I expressed my concerns to SCE&G regarding the meaning of  
7       the signatures on the maps filed with the Commission. Each and every  
8       time I was informed that the signatures did not mean anything other  
9       than the presence of a line and that the parties would have to agree on  
10      corridor rights at a later time.

11     Mr. Croft, Mr. Young and Mr. Hazel repeatedly refer to the executed  
12     mylar maps as the foundation for their testimony in reaching the  
13     conclusion that Aiken Electric somehow agreed that 46kV lines were  
14     afforded corridor rights.

15     As they are all aware, the documents between SCE&G and Aiken Electric  
16     state quite the opposite. For example, in Mr. A.J. Perrone's September  
17     17, 1970 letter to me, Mr. Perrone specifically represented to Aiken  
18     Electric Cooperative:

19               **Regarding the meaning of your signature on the**  
20               **Mylar films to be filed with the commission, we**  
21               **only interpret this as your acceptance of the**  
22               **accuracy of the map insofar as your lines and our**  
23               **lines are concerned. You do not relinquish any**  
24               **rights to any territory nor do you indicate approval**  
25               **of any other suppliers' lines.**  
26

1       See, Exhibit T Perrone September 17, 1970 Letter to James Bell  
2       (emphasis added).

3       Later, in Mr. Grover Croft's March 18, 1971 letter to me, Mr. Croft also  
4       specifically represented to Aiken Electric Cooperative that:

5               **The fact that the line in question is shown on the**  
6               **map, in my opinion, simply means that the line does**  
7               **exist.** The service rights on this line will have to be  
8               determined in our negotiations.  
9

10       See, Exhibit V Grover Croft March 18, 1971 Letter to James Bell  
11       (emphasis added).

12       Due to SCE&G's multiple representations, I understood that the  
13       signature blocks on the Mylar maps filed with the Commission did not  
14       represent an approval of SCE&G's lines carrying corridor rights.

15       Unlike Mr. Young, I think that the Commission should use the "line"  
16       statute as codified in Section 58-27-610 and the factors that the South  
17       Carolina Supreme Court used in the Duke v. Blue Ridge case to  
18       determine whether the 46kV tie line serving the HKT School and the  
19       Norway Medical Clinic carried a corridor as it existed on July 1, 1969.

20       After all, this is the standard that we used in the field.

21   **Q: Has SCE&G now adopted a second argument in an attempt to**  
22   **illustrate that the line was used for distribution?**

23   A: Yes, as Mr. Grover Croft testifies, SCE&G now takes a conflicting position  
24       that because Aiken Electric and the Commission did not agree on the  
25       status of the line on July 1, 1969, the line enjoys a non-exclusive status  
26       until the commission determines otherwise. Under this argument,

1 SCE&G contends that it may serve in Aiken Electric Cooperative's  
2 territory until the Commission determined otherwise.

3 **Q: Does SCE&G's new argument change your analysis in this matter?**

4 A: No, I do not believe so. It is important to note that the second proviso  
5 specifically states that it is subject to the preceding language. Thus, the  
6 portion of the statute that SCE&G now attempts to apply is subject to  
7 the same analysis. Accordingly, because the parties and the Commission  
8 never determined the status of the line, the Commission would use  
9 exactly the same test: whether the line as of July 1, 1969, was used for  
10 distribution **and not for the transmission of bulk power from one area**  
11 **to another.**

12 As Mr. Lindsey has testified, the issue presently before the Commission  
13 is straightforward: **Whether SCE&G's tie line between the Springfield**  
14 **and Norway substations carried a corridor right as it existed on July**  
15 **1, 1969.** In order to determine this, the Commission does not need to  
16 visit Federal Electric Regulatory Agency factors, the Commission does not  
17 need to explore alternate conflicting theories.

18  
19 James F. Bell  
20 Retired Aiken Electric Cooperative

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2005-273-E**

**IN RE:**

Aiken Electric Cooperative, Inc.,

Complainant,

vs.

South Carolina Electric & Gas Company,

Respondent.

**PREFILED TESTIMONY OF**

**JAMES F. BELL**

1    **Q:    Please state your name and address for the Commission.**

2    **A:    James F. Bell, 1737 Carolina Drive SW, Aiken, South Carolina 29801.**

3    **Q:    What is your current employment status?**

4    **A:    I retired from Aiken Electric Cooperative in January 1990.**

5    **Q:    When did you begin working for Aiken Electric Cooperative and what was your**  
6    **position?**

7    **A:    I began working for Aiken Electric Cooperative in 1946 as a lineman.**

8    **Q:    What other positions did you hold while employed by Aiken Electric Cooperative**  
9    **and during what period of time?**

10   **A.    In the early 1960's I was appointed Operating Superintendent. In 1962, I was reassigned**  
11   **and given the title Director of System Planning. In the 1970's my title changed to**  
12   **Manager of System Planning and I was given additional responsibilities. In the late**  
13   **1980's my title was changed to Manager of Operations. I held that position for a short**

1 time before returning to my prior position as Manager of System Planning. I held that  
2 position until retirement in 1990. I also served as Interim General Manager from July  
3 1994 through March 1995.

4 **Q: When the Territorial Assignment Act passed what did you do with regard to**  
5 **making a record of Aiken Electric's facilities along Highway 332 between Norway**  
6 **and Springfield?**

7 A: I immediately made a map of Aiken Electric's entire system showing what facilities  
8 existed as of that date. I put the map on file in the vault. The purpose was to have an  
9 accurate map which would be used to determine corridor rights when service was  
10 requested.

11 **Q: How did the maps change during negotiations with other electric suppliers?**

12 A: As negotiations progressed we added to the maps everything that was constructed or  
13 removed since territorial assignment. We also made notes regarding the negotiations and  
14 any agreement.

15 **Q: During the territorial assignment period were you given authority to negotiate with**  
16 **other electric suppliers on behalf of Aiken Electric?**

17 A: Yes. Ed Thomson, the General Manager of Aiken Electric at that time, assigned the task  
18 of negotiating with SCE&G and the other cooperatives to me.

19 **Q: Why were you given that authority?**

20 A: As Manager of System Planning I had intimate knowledge of Aiken Electric's facilities.

21 **Q: What was the first step in negotiating territorial assignment in Orangeburg County**  
22 **with SCE&G?**

23 A: The first step taken by all the electric suppliers was to agree on a map of every electric

1 supplier's lines in a county. I was concerned that by agreeing to the line map, which  
2 would become the basis for territorial assignment negotiation, Aiken Electric Cooperative  
3 might be agreeing that the lines had corridor rights or otherwise giving up certain rights.  
4 As a result, I met with A.J. Perrone, Jr., the Engineering Manager at SCE&G responsible  
5 for making the line maps in Aiken Electric Cooperative's area.

6 **Q: Please look at Exhibit K to your testimony. Is this letter dated September 16, 1970,**  
7 **the one you wrote to B.E.B. Snowden regarding your meeting with Mr. Perrone and**  
8 **his response regarding the line map?**

9 **A: Yes it is.**

10 **Q: Please look at Exhibit L to your testimony. Is this the response dated September 17,**  
11 **1970, written by Mr. Perrone at SCE&G to your inquiry regarding the line map?**

12 **A: Yes it is.**

13 **Q: When you received the answer from SCE&G regarding the line maps, what did it**  
14 **tell you?**

15 **A: That Aiken Electric Cooperative, by signing off on the line map, was not agreeing that**  
16 **any lines were necessarily distribution lines with corridor rights nor was it giving up any**  
17 **claim to service rights or admitting any one else's claims to service rights. Just as the**  
18 **letter says, when each electric supplier signed off on the line map, they were simply**  
19 **affirming that it was an accurate drawing of the lines in place. Service rights were then**  
20 **negotiated over the next several years from 1971 to 1973.**

21 **Q: Do you recognize Exhibit M to your testimony?**

22 **A: Yes.**

23 **Q: What is Exhibit M?**

1 A: It is a map of the territorial assignment for electric service and lines of electric suppliers  
2 in the portion of Orangeburg County where Aiken Electric Cooperative provides service.

3 Q: Please review Exhibit M and tell me what you knew about the SCE&G 44kV or  
4 46kV along Highway 332 between Norway and Springfield from 1969 thru 1972?

5 A: Aiken Electric determined that the line was a transmission line. Aiken Electric made that  
6 determination in part because there was no underbuild on the line except for the town of  
7 Norway and just a little ways outside the town. There was no underbuild into the area of  
8 Aiken Electric's facilities. SCE&G was not serving any customers from that line.  
9 Additionally, Aiken Electric had at one time purchased bulk power from SCE&G. At  
10 that time the only types of lines SCE&G had in the Aiken Electric territory for the  
11 transmission of bulk power were 44kV or 46kV. That is how I became familiar with  
12 SCE&G transmission lines.

13 Q: Did you visually inspect the SCE&G line?

14 A: Yes. Mr. Snowden and I visually inspected the lines in Aiken Electric's territory prior to  
15 the territorial assignment negotiations with SCE&G. One of the lines Mr. Snowden and I  
16 checked was SCE&G line along highway 332 between Norway and Springfield. At that  
17 time I did not observe any underbuild along the line, except for the town of Norway.

18 Q: What is underbuild?

19 A: Underbuild are the facilities of an electric supplier coming off a line necessary for  
20 hooking up service. Typically, transmission lines have little or no underbuild and  
21 distribution lines have a lot of underbuild.

22 Q: Mr. Bell, you will note on Exhibit M that there is a signature block for all the  
23 electric suppliers dated March 9, 1971 and signed by Mr. Thompson, the General

1           **Manager of Aiken Electric Cooperative. Do you see this?**

2    A:    Yes.

3    Q:    **What was the status of negotiations when this block was signed?**

4    A:    I met with Mr. Thompson to review the line map. He signed the line map, prior to any  
5           territorial assignment negotiations, representing that the map accurately displayed Aiken  
6           Electric's lines. Each electric supplier signed the map verifying that its lines were  
7           correct. He and I specifically discussed the line map and his signature, and he signed it  
8           with the same understanding we had from the letter from SCE&G discussed above,  
9           Exhibit L, that this signature simply stated these were the lines as they existed in July of  
10          1969, and did not in any way, agree to any other supplier's service rights or give up any  
11          claim to service rights by Aiken Electric.

12   Q:    **How did the negotiations with SCE&G for territorial assignments proceed in the**  
13          **portion of Orangeburg County where both Aiken Electric Cooperative and SCE&G**  
14          **serve?**

15   A:    We met several times with representatives of SCE&G, Grover Croft and Robert Hazel  
16          and sometimes Leon Perry. I represented Aiken Electric Cooperative along with out  
17          consulting engineer, Barney Snowden, from Southern Engineering in Atlanta. The  
18          General Manager of Aiken Electric, Mr. Thompson, participated in some meetings. The  
19          negotiations were very difficult. SCE&G demanded a great deal of territory and wanted  
20          unassigned territory and corridor rights on transmission lines for growth purposes.

21   Q:    **What position did Aiken Electric Cooperative take regarding the 44kV or 46kV line**  
22          **along Highway 332 between Norway and Springfield?**

23   A:    Aiken Electric Cooperative always maintained that the line was a transmission line

1 without any corridor rights. The line was used to move power between the Norway and  
2 Springfield substations. In the past, Aiken Electric Cooperative purchased wholesale  
3 power from the same type of line. The notes on maps and the memoranda prepared by  
4 our consulting engineer, Barney Snowden, who attended every negotiation meeting with  
5 SCE&G with me, reflect, just as my memory does, that Aiken Electric Cooperative never  
6 agreed that the 44kV or 46kV line running along Highway 332 between Norway and  
7 Springfield was a distribution line. My own review of the line prior to negotiation  
8 showed no service off the SCE&G line, whereas, the Aiken Electric Cooperative 12kV  
9 line on the other side of the street had numerous service drops in that general area.

10 **Q: Please review Exhibit N (Bates number AEC1053) to your testimony, do you**  
11 **recognize this map?**

12 **A:** Yes, it is a working map of the portion of Orangeburg County served by Aiken Electric  
13 Cooperative and SCE&G. Mr. Snowden and I used this map at the various negotiation  
14 meetings with SCE&G. I recognize Mr. Snowden's handwritten notes. Mr. Snowden  
15 and I attended all of the meetings with SCE&G together. Noted on the map are  
16 SCE&G's initial requests for territory during negotiations. Mr. Snowden's handwritten  
17 notes on the map indicate that SCE&G wanted corridor rights along the transmission line  
18 located on Highway 332 between Norway and Springfield. Mr. Snowden's notes are  
19 consistent with my recollection of the negotiation meetings with SCE&G.

20 **Q: What does the working map, Exhibit N, tell you about the 44kV or 46kV SCE&G**  
21 **line running along Highway 332 between Norway and Springfield?**

22 **A:** As you can see from the map, there is a yellow area colored in around the line and  
23 annotated with the number 8 with a circle around it. This coincides with the comment

1 "corridor trans" next to number 8 written on the side of the map showing that SCE&G  
2 was asking for either unassigned territory or corridor rights running along this line as part  
3 of the negotiations.

4 **Q: Please review Exhibit O (AEC030) to your testimony. Do you recognize this map?**

5 **A:** Yes. This is the final working map from which territorial assignment was drawn. This is  
6 another map used by myself and Mr. Snowden during the negotiations. When you  
7 compare Exhibit N with this map, you will see that the entire area is colored green  
8 showing that Aiken Electric Cooperative never agreed to provide corridor rights for that  
9 line or place unassigned territory in that area as requested by SCE&G.

10 **Q: Did SCE&G ever indicate to you in any way that they considered the line to be a**  
11 **transmission line?**

12 **A:** I recall that during negotiations SCE&G wanted Aiken Electric to recognize the line as a  
13 distribution line in the future. This led me to think SCE&G recognized it to be a  
14 transmission line at that time. This is corroborated by Mr. Snowden's notes on Exhibit  
15 10 where he wrote "want unassigned on trans line between Norway and Springfield."

16 **Q: Please look at Exhibit I to Mr. Stooksbury's testimony. Do you recognize this April**  
17 **21, 1971 memorandum prepared by Mr. Snowden?**

18 **A:** This is a memorandum prepared by Mr. Snowden regarding negotiations with SCE&G. I  
19 do not remember receiving a copy of this memo. My memory of the events described in  
20 the memorandum, are the same. I recall that SCE&G indicated they wanted the 44kV or  
21 46kV line in question to be considered a distribution line in the future. I also recall Mr.  
22 Croft making statements that agreements would depend on "how you are going to treat us  
23 over there."

1 **Q: Please look at Exhibit P to your testimony. Would you have received this May 10,**  
2 **1971 letter from Mr. Thomson?**

3 **A:** I would have received a carbon copy of the letter. I do recall Mr. Thomson becoming  
4 quite upset because it appeared that Mr. Croft did not have full authority to negotiate an  
5 agreement.

6 **Q: Please review Exhibit Q to your testimony. Did you receive a copy of this**  
7 **memorandum dated June 7, 1971 prepared by Mr. Snowden?**

8 **A:** Yes, I received a carbon copy. This memorandum accurately reflects the status of  
9 negotiations with SCE&G in June 1971. Aiken Electric and SCE&G had resolved nine  
10 areas of controversy. The nine items that were resolved consisted primarily of areas that  
11 SCE&G wanted to serve, including giving transmission lines corridor rights and  
12 assignment of areas where Aiken Electric had facilities and SCE&G did not. The memo  
13 also accurately reflects that the parties were at an impasse over SCE&G's request for a  
14 substantial corridor along Highway 332 between Norway and Springfield. That would be  
15 the same 44kV or 46kV line we have been discussing.

16 **Q: Please look at Exhibit J to Mr. Stooksbury's testimony. Do you recall receiving a**  
17 **copy of the August 20, 1971 memorandum?**

18 **A:** I don't recall receiving a copy, but I was aware of the events described in the  
19 memorandum. Mr. Croft did indicate that the SCE&G requests were not negotiable.  
20 SCE&G's requests were extensive and we did not make much progress on Aiken or  
21 Orangeburg County. The memorandum accurately reflects what I remember about the  
22 negotiation meetings.

23 **Q: When did SCE&G and Aiken Electric come to a final agreement on territorial**

1           **assignment for the parts of Orangeburg County where Aiken Electric had services?**

2    A:     April 20, 1973. If you look at Exhibit O, you will see my note of that date. I also  
3           indicated in my note that Mr. Croft and Mr. Bell were present.

4    Q:     **What does Exhibit O indicate to you with regard to the SCE&G line located parallel**  
5           **to Highway 332 between Norway and Springfield?**

6    A:     The area is colored in green which indicates it is Aiken Electric's exclusive territory and  
7           that Aiken Electric did not agree to SCE&G's requests for corridor rights or unassigned  
8           territory along that line.

9    Q:     **While negotiating with SCE&G did you, on behalf of Aiken Electric, agree to**  
10          **change the designation of SCE&G's 44kV or 46kV line running along Highway 332**  
11          **from transmission to distribution?**

12   A:     No.

13   Q:     **While negotiating with SCE&G did you, on behalf of Aiken Electric, agree to give**  
14          **corridor rights to any SCE&G 44kV or 46kV transmission line?**

15   A:     No.

16   Q:     **What position did you have with Aiken Electric Cooperative in 1994/1995?**

17   A:     For a nine month period in that time frame, I came out of retirement to be acting General  
18          Manager while the Board sought out and found a replacement General Manager who  
19          turned out to be Gary Stooksbury.

20   Q:     **What do you remember about electric service to the Hunter Kinard Tyler School?**

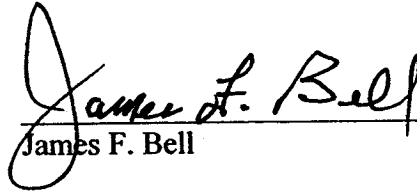
21   A:     I had no independent recollection of the presentations made to the School Board or the  
22          vote on service. At the time of my deposition, I saw certain documents which show that I  
23          was aware of the fact that Aiken Electric Cooperative made a presentation to the School

1 Board and that SCE&G ultimately received the service.

2 **Q: Why did you not challenge SCE&G's service to the School at that time?**

3 **A:** I do not recall. I was the interim acting Manager for a nine month period when there was  
4 great turmoil at the Cooperative and many different issues came up. I was focused on  
5 helping the Board with the search for a successor General Manager and assisting the new  
6 General Manager in learning about Aiken Cooperative and his position. I don't  
7 remember the issue with the School coming up at that time and certainly don't remember  
8 any one telling me that SCE&G claimed its right to service based on a corridor off of that  
9 44kV or 46kV line which I had been familiar with for many years and knew was not a  
10 distribution line back in 1969.

11  
12  
13

  
James F. Bell

**IN RE:**

**PREFILED TESTIMONY OF  
GARY STOOKSBURY**

14 **Q: Is the Hunter Kinard Tyler School located within Aiken Electric's service territory?**

1 A: Yes, the school is located within what we refer to as green territory or Cooperative  
2 territory.

3 **Q: Does SCE&G have a right to serve a premises located within Cooperative territory?**

4 A: No. SCE&G only has a right to serve a premises in Aiken Electric's territory if it has a  
5 corridor right or an agreement.

6 **Q: What is your understanding of corridor rights?**

7 A: It is my understanding that an electric provider has corridor rights through another  
8 provider's assigned territory so long as the line meets the statutory definition of a  
9 distribution line. The definition requires that a line carrying greater than 25kV but less  
10 than 48kV must meet one of the standards. Either it was used primarily as a distribution  
11 line on July 1, 1969, or the electric suppliers in the area agree it is a distribution line, or  
12 the Commission issues an order determining it is a distribution line.

13 **Q: Are you familiar with the tract of land containing the Hunter Kinard Tyler School**  
14 **premises?**

15 A: Yes. I have visited the Hunter Kinard Tyler School site several times. Aiken Electric  
16 provided temporary power to the School.

17 **Q: Are you familiar with A-Sheets?**

18 A: Yes, A-Sheets are maps that represent each utility's transmission and distribution lines in  
19 given areas as the lines existed at the time of territorial assignment.

20 **Q: Have you reviewed the A-Sheet that contains the Hunter Tyler School premises and**  
21 **which is marked as Exhibit A to your testimony?**

22 A: Yes, I have reviewed the A-Sheet that contains the Hunter Kinard Tyler School.

23 **Q: Does Exhibit A accurately depict the lines as of the time of territorial assignment?**

1 A: Yes, to the best of my knowledge the A-Sheet accurately reflects the transmission and  
2 distribution lines as they existed at the time of territorial assignment.

3 **Q: What evidence does Aiken Electric have that demonstrates that SCE&G is unable to**  
4 **legally serve the school?**

5 A: The line on the A-Sheet that SCE&G attempts to derive corridor rights from was a 44kV  
6 to 46kV bulk power transmission line at the time of territorial assignment.

7 **Q: How do you reach that conclusion?**

8 A: The line is labeled 44kV to 46kV and there are no service spurs to premises within the  
9 mapped area. Additionally, SCE&G had to build facilities to serve the school and ball  
10 field.

11 **Q: What is the significance of a service spur?**

12 A: A service spur indicates that the electric provider was actually serving a premises or  
13 customer off of the line. For example, the A-Map illustrates two Aiken Electric service  
14 spurs to premises existing as of July 1, 1969. This means that Aiken Electric was at least  
15 serving two customers off of the Aiken Electric line at the time of territorial assignment.  
16 On the other hand, looking at the SCE&G line, there are no service spurs which leads me  
17 to believe that SCE&G did not serve customers off of the line. Therefore, although the  
18 line existed in 1969, it does not carry corridor rights as it was not serving customers or  
19 premises at the time of territorial assignment.

20 **Q: Are you also familiar with the A-Map for the section of Highway 332 heading**  
21 **towards Norway adjacent to the one we were just viewing?**

22 A: Yes I am.

23 **Q: What is Exhibit B to your testimony?**

1 A: This is the A-Sheet for the portion of 332 adjacent to Hunter Kinard Tyler School  
2 heading towards Norway, South Carolina. As you can see, there are no secondary lines  
3 or service spurs off of the 46kV on the other side of the highway, the Aiken Electric  
4 Cooperative line has numerous secondary lines or service spurs showing where  
5 individual residential or commercial services have been connected to the line. These  
6 maps from 1969, confirmed my understanding that the 44kV or 46kV lines in that area in  
7 the SCE&G system were primarily used for transmission and were not serving customers  
8 at the time of territorial assignment.

9 **Q: What other evidence does Aiken have that illustrates that SCE&G does not have a**  
10 **corridor within 300 feet of the school?**

11 A: SCE&G has approached Aiken Electric with an agreement to assert corridor rights off of  
12 the transmission line.

13 **Q: Does Exhibit C accurately reflect that unsigned agreement?**

14 A: Yes. In Paragraph 6 of the proposed agreement, SCE&G specifically states that  
15 “SCE&G agrees that its 44kV line is a transmission line and that it will not assert corridor  
16 rights off of the 44kV line and that SCE&G will not extend the current 23kV distribution  
17 line any further than the current length of the 23kV line.” An agreement was never  
18 reached as I did not agree with the contention that a transmission line could carry corridor  
19 rights. To date, I am not aware of any evidence that supports SCE&G’s contention that  
20 the subject line is a distribution line carrying corridor rights. It may be a distribution line  
21 today; however, in 1969, it was a transmission line.

22 **Q: Has Aiken Electric ever agreed or acquiesced to SCE&G that the subject**  
23 **transmission line carries a corridor?**

1 A: No, in fact, Aiken Electric has always contended that SCE&G does not have a corridor  
2 off of the referenced transmission line. On November 7, 1997, I wrote a letter to Mr.  
3 Thomas Arthur, then General Counsel for SCE&G, outlining Aiken Electric's position  
4 that the line was a 44kV bulk transmission line at the time of territorial assignment, and  
5 as such, carried no corridor rights. In support of my letter, I referred Mr. Arthur to the  
6 Blue Ridge Electric Cooperative v. Duke case (PSC Order No. 97-819) that held that the  
7 Duke line was a transmission line at the time of territorial assignment and, accordingly,  
8 did not have corridor rights. See **Exhibit D** (PSC Order and South Carolina Supreme  
9 Court Order).

10 Q: **Is Exhibit E a true and correct copy of that letter?**

11 A: Yes.

12 Q: **Did SCE&G respond to your letter?**

13 A: Yes, three years later on November 8, 2000, SCE&G responded to my 1997 letter.

14 Q: **Is Exhibit F a true and correct copy of that response letter?**

15 A: Yes.

16 Q: **How did SCE&G reply?**

17 A: SCE&G stated that they were aware of the case and had filed an appeal.

18 Q: **Did the South Carolina Supreme Court ever address the Blue Ridge Electric  
19 Cooperative v. Duke case (PSC Order No. 97-819)?**

20 A: Yes, it is my understanding that the PSC's decision that I referred to in my 1997 letter to  
21 SCE&G was affirmed and that the South Carolina Supreme Court ruled that a 46kV line  
22 can only be a distribution line if the parties either agree or the line was used as a  
23 distribution line as of July 1, 1969.

1   **Q:   Has Aiken Electric ever agreed with SCE&G that the subject line is a distribution**  
2       **line?**

3   **A:**   No.

4   **Q:   Has Aiken Electric ever agreed with SCE&G that the Orangeburg County**  
5       **territorial assignment map is a binding contract that only reflects distribution lines**  
6       **in existence as of July 1, 1969?**

7   **A:**   No, Aiken Electric has not. According to our Supreme Court, territorial assignment maps  
8       contain both transmission and distribution lines. Prior to SCE&G's line upgrade and at  
9       the time of territorial assignment, the subject line was a bulk transmission line similar to  
10      the line in the Duke case in that it too did not serve a customer or premises. Neither line  
11      carries a corridor as both lines were bulk transmission lines at the time of territorial  
12      assignment.

13   **Q:   Has Aiken Electric ever conceded that SCE&G's service to the Hunter Kinard Tyler**  
14      **School is proper?**

15   **A:**   No. In fact, in reviewing Aiken Electric's business records, it appears that Aiken Electric  
16      opposed SCE&G's attempts to create corridor rights off of the bulk transmission line.  
17      For example on May 10, 1971, Ed Thompson, the General Manager of Aiken Electric,  
18      wrote to SCE&G to document SCE&G's attempts to monopolize the territorial  
19      assignment negotiation process by building duplicate or additional lines within Aiken's  
20      territory in order to later assert service rights because SCE&G wanted "growing room"  
21      and did not want to be frozen in the current situation as it existed at the time of territorial  
22      assignment. On June 7, 1971, B.E.B. Snowden, on behalf of Aiken Electric drafted a  
23      memorandum documenting the same problems.

1    **Q:     Does Exhibit G reflect an accurate copy of that letter?**

2    A:     Yes.

3    **Q:     Does Aiken Electric regularly keep copies of such records in the ordinary course of**  
4       **it business?**

5    A:     Yes.

6    **Q:     Who was B.E.B. Snowden?**

7    A:     Mr. Snowden was an electrical engineer with Southern Engineering Company of  
8       Georgia. At the time of territorial assignment, Southern Engineering and Mr. Snowden  
9       were working on behalf of Aiken Electric Cooperative.

10   **Q:     What is Southern Engineering?**

11   A:     Southern Engineering was an engineering firm retained by Aiken Electric during the  
12       territorial assignment time period. Southern prepared several documents, memorandums,  
13       and letters for Aiken Electric throughout the territorial assignment period.

14   **Q:     What was the purpose of Mr. Snowden's memo?**

15   A:     It is my understanding that it was written to document the negotiation sessions between  
16       Aiken Electric and SCE&G.

17   **Q:     Does the memorandum refer to the 44kV transmission line that SCE&G later**  
18       **upgraded to serve the Hunter Tyler School?**

19   A:     Yes, in fact, Page 2 of the memorandum specifically states that E&G wished to leave the  
20       subject territory (the school area) unassigned "due to the fact that E&G has a  
21       transmission line which at some point in the future they would hope to use as distribution.

22   **Q:     Does Exhibit H reflect an accurate copy of that memorandum?**

23   A:     Yes.

1 Q: Was this memorandum drafted on behalf of Aiken electric for Aiken Electric's  
2 benefit?

3 A: Yes, it was sent to Mr. James Bell in order to document the territorial negotiation process.

4 Q: Is Exhibit I an accurate copy of Mr. Snowden's memorandum dated April 21, 1971?

5 A: Yes. This letter also reflects that SCE&G wanted "a vast amount of unassigned proposed  
6 between towns and particularly along 44kV lines."

7 Q: Is Exhibit J an accurate copy of Mr. Snowden's memorandum dated August 20,  
8 1971?

9 A: Yes. This memorandum reflected some of the difficulties encountered when negotiating  
10 with SCE&G for territory in Orangeburg County.

11 Q: Does Aiken Electric regularly keep such records in the ordinary scope of it  
12 business?

13 A: Yes, such letters are saved, typically archived.

14 Q: Did Southern Engineering archive and store Aiken's documents through  
15 approximately the year 2000?

16 A: Yes, Southern Engineering archived the documents, memorandums and letters that it  
17 prepared for Aiken Electric.

18 Q: Is Southern Engineering still in existence today?

19 A: Southern Engineering was purchased by Clough Harbour & Associates in the fall of  
20 2000. At that time of acquisition, Southern Engineering agreed to transfer all the  
21 Cooperatives' territorial assignment and related records to Central Electric Power  
22 Cooperative for safekeeping and preservation, this included Aiken's historic documents  
23 relating to territorial assignment.

1    **Q:    Were the documents delivered to Central in their historic condition?**

2    A:    Yes, there was nothing about the documents that would lead me to believe that the  
3           documents were not authentic.

4    **Q:    Why were the documents sent to Central?**

5    A:    Since Central is a transmission and generation cooperative, it made sense that Central  
6           would continue to store the documents in one central location on behalf of the  
7           Cooperatives.

8    **Q:    Have the documents been in existence for over 20 years?**

9    A:    Yes, in fact most of the documents date back more than thirty years.

10   **Q:    Did Southern and Central regularly keep Aiken's territorial assignment records in  
11           the ordinary scope of their business?**

12   A:    Yes, in fact Aiken requested that they do so.

13   **Q:    Did Aiken Electric recently inspect Central's records relating to territorial  
14           assignment in the Orangeburg County area surrounding the Hunter Kinard Tyler  
15           School?**

16   A:    Yes. I inspected Aiken's materials at Central, made copies of the materials relating to  
17           territorial assignment, then took possession of the copies of the documents and returned  
18           the originals. At no time did I remove the original documents from Central's possession  
19           and control.

20   **Q:    SCE&G has alleged in the past that Aiken Electric has failed to follow Regulation  
21           103-304 in the past, are you aware of whether SCE&G complied with Regulation  
22           103-304 in this case?**

23   A.    It is my understanding that they have not.

1    **Q.     Why did Aiken Electric wait until September 17, 2003 to file its petition against**  
2       **SCE&G in this case?**

3    A.    Aiken Electric has always maintained that SCE&G's service to the Hunter Kinard School  
4       was improper.  Additionally, Aiken Electric was awaiting the ruling from the Supreme  
5       Court in the Blue Ridge/Duke Case.

6    **Q.     Did you relay your concerns to SCE&G via letter?**

7    A.    Yes. I drafted a letter to SCE&G in 1997 relating to my concerns over the school.  It is  
8       attached to my pre-filed testimony as Exhibit E.

9    **Q.     When did SCE&G reply to your letter?**

10   A.    Despite numerous attempts to get a reply, SCE&G took three years to respond to me in  
11       writing.  As is discussed earlier, in 2000, SCE&G finally informed me that they did not  
12       believe that the Duke Blue Ridge case was the law of the land as the case was on appeal.  
13       The 2000 response letter is attached to my pre-filed testimony as Exhibit F

14   **Q.     Is it your understanding that the Duke Blue Ridge case is now the law of the land**  
15       **concerning whether a line was a distribution line at the time of territorial**  
16       **assignment?**

17   A.    Yes, it is my understanding that the South Carolina Supreme Court issued the their final  
18       opinion on January 24, 2001.

19   **Q.     How did Blue Ridge Duke impact your understanding of corridor rights?**

20   A.    It is my understanding that an electric provider has corridor rights through another  
21       provider's assigned territory so long as the line meets the statutory definition of a  
22       distribution line and was actually used as a "distribution line" prior to July 1, 1969.

1   **Q.     From your review of the maps, was SCE&G's 44-46kV line used for distribution**  
2       **power at the time of territorial assignment?**

3   A.    No. I do not see any distribution service drops. Rather, the line appears to transfer bulk  
4       transmission power between two substations.

5   **Q.     After the South Carolina Supreme Court issued the Blue Ridge Duke Opinion what**  
6       **did you do?**

7   A.    After reviewing the case, Aiken realized that it now had a cause of action against SCE&G  
8       as the Duke Blue Ridge ruling became the law of the land. Not only was the service to  
9       Hunter Kinard Tyler School improper, it was illegal.

10  **Q:     Do you understand that Aiken signed the map and because of this SCE&G contends**  
11       **that the A-Map operates as a contract?**

12  A:    Yes, however maps are known to have errors, and I am not aware of any precedent  
13       indicating that A-Maps are binding contracts. It is my understanding that the maps are  
14       simply illustrative of how all lines existed at the time of territorial assignment, not just  
15       distribution lines.

16  **Q:     Are you aware of any specific errors in dealing with A-Maps?**

17  A:    I am familiar with a line that was left of an A- Map in Palmetto Electric Cooperative's  
18       Territory. I believe the Cooperative was entitled to serve the premises as the line that  
19       was left off the map was a distribution line with service drops and spurs at the time of  
20       territorial assignment.

21  **Q:     Are you familiar with the SCE&G v. Palmetto Electric Cooperative PSC case?**

22  A:    Yes, it is my understanding that SCE&G contented that the A-Maps were binding  
23       contracts in that case.

1    **Q:    Are you familiar with the PSC's ruling in that matter?**

2    A:    Yes, it is my understanding that the PSC and circuit court ruled that A-Maps were not  
3       binding contracts. I have attached a copy of the PSC and Circuit court order to my pre-  
4       filed testimony as Exhibit D.

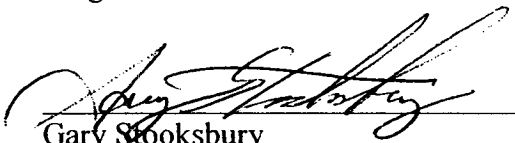
5    **Q:    Are you aware that the A-Map states that it contains distribution lines?**

6    A:    Yes, however, the A-Map does not state that it does not contain transmission lines.  
7       Rather, I believe the map contains all lines as evidenced by the fact that SCE&G's  
8       transmission line appears on the map in this case. Additionally, I am aware of a Blue  
9       Ridge/Duke incident where an A-Map contained transmission lines. I have attached a  
10      copy of the Blue Ridge/ Duke case to my pre-field testimony as Exhibit D (PSC Order  
11      and South Carolina Supreme Court Order).

12   **Q:    Is it your understanding that A-Maps contain both transmission and distribution**  
13   **lines?**

14   A:    Yes, that is my understanding from the Blue Ridge /Duke case.

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16  
17  
18

  
\_\_\_\_\_  
Gary Stooksbury  
Chief Executive Officer

1

**DIRECT TESTIMONY**

2

**OF**

3

**WILLIAM K. HARBUCK**

4

**ON BEHALF OF**

5

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**

6

**DOCKET NO. 2003-273-E**

7

8

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

9

**A.** My name is William K. Harbuck, and my business address is 1615

10

Clinton Street, Barnwell, South Carolina.

11

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

12

**A.** I am employed as a local manager in the Western District for South

13

Carolina Electric & Gas Company.

14

**Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS**

15

**EXPERIENCE.**

16

**A.** I graduated from Allendale-Fairfax High School in 1974. I then

17

attended three semesters of college at USC-Salkahatchie. In April 1976, I

18

went to work for SCE&G as a lineman working out of the Denmark, South

19

Carolina office. Over the last thirty years I have received various

20

promotions from lineman to lead lineman, then to line supervisor, then to

21

my current position as local manager.

22

**Q. WILL YOU BRIEFLY SUMMARIZE YOUR DUTIES WITH SOUTH**

23

**CAROLINA ELECTRIC & GAS COMPANY?**

1     A.           As a local manager, I am responsible for the construction,  
2                operation, and maintenance of the distribution system in what is referred  
3                to as the Barnwell local area, which includes the area where the Hunter-  
4                Kinard-Tyler School ("HKT School") is located. When I served as a line  
5                supervisor in 1995 during the construction of the facilities to serve the HKT  
6                School, I was responsible for the construction and maintenance of  
7                distribution lines.

8     Q.     **MR. HARBUCK, WHAT IS THE PURPOSE OF YOUR TESTIMONY IN**  
9               **THIS PROCEEDING?**

10    A.           The purpose of my testimony in this proceeding is to explain the  
11                physical facilities, both generally and specifically, used by SCE&G to  
12                provide electric service to the HKT School in Orangeburg County, South  
13                Carolina.

14    Q.     **ARE YOU AWARE OF HOW SCE&G CAME TO SERVE THE HKT**  
15               **SCHOOL?**

16    A.           No. I was not involved in any decision about whether to provide  
17                service to the HKT School. I had heard that a new school was being built  
18                in the area, and I knew that SCE&G was competing with Aiken  
19                Cooperative to provide service to the school. The District Manager at the  
20                time was Mike Cherry, and I understand that the school board had  
21                selected SCE&G to provide service and Mr. Cherry told me it would be my  
22                job to construct the facilities necessary to serve the school.

1   **Q.   WHAT WAS YOUR ROLE IN PROVIDING ELECTRIC SERVICE TO THE**  
2       **HKT SCHOOL?**

3   A.       I was responsible for the construction of the facilities. I was  
4       provided with a design by an SCE&G district engineer and I implemented  
5       that design by constructing the facilities necessary to provide service to  
6       the school.

7   **Q.   PLEASE DESCRIBE THE SPECIFIC FACILITIES USED BY SCE&G TO**  
8       **PROVIDE SERVICE TO THE HKT SCHOOL FROM THE LINE.**

9   A.       SCE&G provides service to the HKT School from a 46 kilovolt  
10       ("kV") electric line running between the towns of Springfield and Norway  
11       ("Line"). To serve the HKT School from this Line, SCE&G placed a step-  
12       down transformer on a fence-enclosed concrete pad off of the highway.  
13       This transformer is used to step-down the voltage. While the transformer  
14       could have been placed on a pole, placing the transformer in a fence-  
15       enclosed area provides easier access for maintenance and also  
16       decreases the risk that an accident on the highway would disrupt power to  
17       the school, as it might if the transformer had been mounted on a pole near  
18       the highway and a car struck the pole.

19       Overhead lines operating at 23kV were constructed, and a primary  
20       meter is located on the first pole where the 23kV line was constructed  
21       from the transformer. Pursuant to the school's request, the lines were  
22       then placed underground to run underneath Highway 332 to HKT School.  
23       All of the lines on the school grounds are underground for safety reasons

1 and aesthetics. Pad-mounted transformers were also installed at the  
2 school building and at the athletic field to further step down the voltage to  
3 a service level for delivery to the School. The underground lines loop  
4 around the school premise and cross back under the highway and emerge  
5 above ground on the other side of Highway 332 from HKT School and  
6 connect to the overhead line where the loop is completed. This service  
7 configuration is shown on the diagram attached to my testimony as Exhibit  
8 No. \_\_ (WKH-1).

9 **Q. HOW DO THESE FACILITIES FUNCTION TO PROVIDE RELIABLE**  
10 **SERVICE TO THE HKT SCHOOL?**

11 **A.** The facilities provide redundancy and reliability to the HKT School.  
12 Power flows from the 46kV Line via overhead lines through the meter and  
13 is directed through the underground lines underneath the road to the  
14 school, around the school premise, and then back under the highway to  
15 the overhead lines. In the event of a break in the line, power can be  
16 redirected to flow from the opposite direction to provide power to the HKT  
17 School.

18 **Q. HAS SCE&G SERVED ANY OTHER CUSTOMERS DIRECTLY OFF OF**  
19 **THE SPRINGFIELD-NORWAY LINE?**

20 **A.** Yes. I am personally aware that in the 1980s SCE&G served the  
21 C&S Farms irrigation system directly from the same Line that is currently  
22 directly serving HKT School, as further evidenced by the documents  
23 showing a contract for service to C&S Farms and the work order showing

1 the 46kV transformer bank to be installed, attached as Exhibit No. \_\_\_\_  
2 (WKH-2). I personally maintained, serviced, and eventually removed the  
3 transformer bank serving C&S Farms. Additionally, SCE&G currently  
4 provides electric service from this Line to the Town of Norway for a lift  
5 station to provide sewer service to the HKT School, the South Carolina  
6 Department of Transportation for a warning light, and the Norfield Medical  
7 Clinic, which is located across the highway from the HKT School.

8 **Q. HAVE YOU MEASURED THE DISTANCE FROM THE LINE TO THE**  
9 **HKT SCHOOL PREMISE?**

10 A. Yes. Measuring from the outside conductor of the 46kV Line, the  
11 HKT School premise is partially within 300 feet of the Line.

12 **Q. WHAT IS THE SIGNIFICANCE OF THE 300-FOOT MEASUREMENT?**

13 A. I understand that in general SCE&G has the right to serve any  
14 customer located within its assigned territory or any customer located  
15 partially or wholly within 300 feet of any electric line shown on an A-sheet.

16 **Q. WHAT IS AN A-SHEET?**

17 A. A-sheets are detail maps showing electric lines or territorial  
18 boundaries. The "A-sheets" show in greater detail those electric lines  
19 which have corridor rights under territorial assignment.

20 **Q. IS THE 46kV LINE BETWEEN SPRINGFIELD AND NORWAY ON THE**  
21 **TERRITORIAL ASSIGNMENT MAP AND ON AN A-SHEET?**

22 A. Yes. I identified Highway 332 and Snake Swamp Road, which are  
23 located near the HKT School, on the key map, found the corresponding

1 detail "A-sheet," which is sheet number 9 of 23 in series 55,839, and  
2 located the 46kV line on the detail "A-sheet." The key map "keys"  
3 individual A-sheets to a portion of the larger county map showing territorial  
4 assignment and the lines of electric suppliers. I drew a diagram of the  
5 HKT School and the service configuration on a copy of the detail "A-  
6 sheet," which is attached as Exhibit No. \_\_\_\_ (WKH-3). While I did not  
7 verify the location to scale, this is a fair approximation of the HKT School's  
8 location.

9 **Q. DID SCE&G PROVIDE TEMPORARY POWER FOR THE**  
10 **CONSTRUCTION OF THE HKT SCHOOL?**

11 **A.** Yes. I supervised construction of the facilities to provide temporary  
12 service to M.B. Kahn as the general contractor for construction of the HKT  
13 School. We provided that power off of the 46kV Line.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

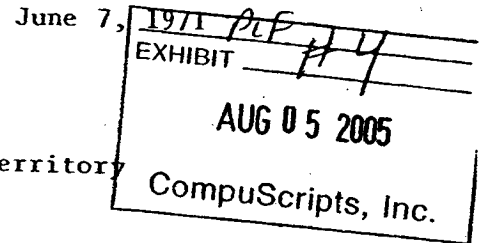
15 **A.** Yes.

M E M O R A N D U M

TO: File

FROM: B. E. B. Snowden

REFERENCE: Aiken Electric Cooperative Negotiations for Territory



On April 20, 1971, Snowden, Bell and intermittently, Ed Thomson, met with Grover Croft, Leon Perry and Bob Hazel of SCE&G for the purpose of negotiating what amounts to a rather small portion of Orangeburg County located west of U.S. Highway 321 of the southern boundary up to a point near North and an area about ten miles to the east of North around Wolfton, this being the area of Orangeburg County served by Aiken Electric and in parts by South Carolina Electric and Gas (SCE&G). At the conclusion of the first session we resolved nine different areas which we were in controversy over. These con-  
sisted primarily of transmission line corridors desired by E&G and some areas in which they claimed for total assignment where they had no lines and where Coop lines were existing or principally on the basis of it being "growing room around the towns".

A second session was convened on June 3 and on this occasion Ed Thomson was almost continuously in attendance with the other five persons named above. The result of the two days of negotiations did not bring us much closer to the completion of this Orangeburg County Territory. We convened again on Friday, June 4 and for about three hours again reviewed these details and resolved that we were sufficiently at an impasse as to warrent laying it aside and endeavoring to schedule a negotiating schedule on another county so that we might come back to this county at a later date. The impasse situations were that E&G wanted a substantial corridor along South Carolina Highway 332 between Norway and Springfield. They desired unassignment of an area southeast of Springfield from South Carolina Highway 3 over to Goodland Creek. This originally was requested to be assigned to them even though the

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Memo from Mr. Snowden  
June 7, 1971  
Page 2

Coop is totally in the area southeast of Springfield. They later indicated that possibly unassignment would be accepted.

In an area just north of Highway 332 between Norway and Springfield in an area where Swamp Creek is located there was an arbitrarily plotted approximately two square miles of area which they thought should be assigned to E&G and only reason given was that that was undeveloped territory and that since the Coop wasn't in there it should be assigned to them. Much discussion was had in connection with the degree of so-called unassigned undeveloped areas that should be assigned to E&G simply for the sake of assigning it. \* The area north of the 44 KV transmission line which generally parallels Highway 394 in the northern part of the county was also requested to be left unassigned in a rather major portion simply due to the fact that E&G has the transmission line which at some date in the future they would hope to use as distribution. We further refused to agree to leaving unassigned a section along each side of South Carolina Highway No. 3 where from the 44 KV substation E&G extended a line to a gas pumping station in direct duplicating parallel with the Coop lines along that highway. They have stated that the Commission approved that line as a distribution line and it therefore has an entitlement to at least as recognized in an unassigned area so that it would have its fair chance to serve customers.

An area north of Springfield between Goodland Creek and some dimension west of the 44 KV line was also requested to be left unassigned. The general area around the west, north and easterly boundary of Springfield as well as a small pocket of area served by the Power Company north of that area is fairly well charted and should be acceptable to E&G. The boundary along the westerly side of the Power Company's service area running north and south along U.S.

Memo from Mr. Snowden  
June 7, 1971  
Page 3

321 is also fairly well plotted and should be agreed upon with the exception of the area just south of the town of North where the Power Company is desirous of having total assignment made to them of all of the area including the north airport location. They did not concur in connection with an unassigned area which we offered along the northwesterly boundary of the city; nor would they agree to assignment to the Cooperative to a point about halfway between North and Woodford just west of Highway 321 where only the Cooperative facilities exist.

They indicated that at least the north airport because of its potential industrial development should be left unassigned all the way to the Swamp Creek location notwithstanding the fact that a considerable amount of Coop lines are located in and around Highway 73 and 189.

E&G has expanded probably a mile or better beyond the terminal points of the Orangeburg Electric System in the vicinity of Wolfton and are holding fast that that is simply growing room that would not hurt the Coop notwithstanding the fact that the Coop has lines throughout the area and is contending that only a close wrapup of the Orangeburg facilities should be left unassigned. Their particular point in this connection is that they aspire to purchase Orangeburg at some future date and they want as much area left unassigned as is physically possible to force upon the negotiators and in hopes of leaving vast area open and unassigned that can either be invaded by them from their present facilities or presumably as they say, as "growing room" for the Orangeburg system if as, and when they buy it.

We agreed that we would tentatively set Tuesday, July 6th for our next session at which time we would review Aiken County. Croft is to mail a

Memo From Mr. Snowden  
June 7, 1971  
Page 4

print of Aiken County upon which he will delineate his district line boundaries so that we can pick one or another and he can have his various district personnel present during the negotiations and not have all of the various ones standing around wasting time.

This memorandum is written simply as a reminder of some of the detail transpiring during the two and a half days of negotiation sessions and at which point no single line has been finally and formally agreed upon by E&G. Every time a boundary line was plotted that appeared to be acceptable, it was almost invariably conditioned upon "that will depend upon how you treat us over here". They simply refuse to wrap up an area and say we are through with that. We apparently are confronted with the requirement that we carry a myriad of little contingent details in our minds and at some point in time probably begin flipping the coin to try to trade off those little details in an effort to wrap up the entire project. The attitude displayed in connection with this negotiation prompted the Coop personnel and myself to consider that if we could we would take this to the Commission and let them decide what to do with Orangeburg County, but we realized that this would be improper and so we have scheduled the Aiken County to move next. This is a big county and the negotiating sessions in that county will certainly be indicative of what we may expect in reference to this matter. The same thing happened at Bamberg where we moved from Bamberg County up to Orangeburg County area served by Edisto Electric and this has somewhat moved the Bamberg County off of dead center and it is just about resolved and ready to be filed with the Commission.

I'm most desirous that Ed Thomson and Jimmy Bell both read this and referring to the map, make such additional notations as would be helpful if

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Memo from Mr. Snowden  
June 7, 1971  
Page 5

as, and when we might want to refresh our minds clearly as to our two and a half day sessions.

BEB/sp

B. E. B. Snowden

CC - Mr. Ed Thomson  
Mr. Jimmy Bell

SOUTH CAROLINA ELECTRIC & GAS COMPANY

POST OFFICE BOX 764

COLUMBIA, S. C. 29202

September 17, 1970

Mr. James F. Bell  
Director, System Planning  
Aiken Electric Cooperative, Inc.  
P. O. Box 47  
Aiken, South Carolina

Dear Mr. Bell:

This will acknowledge receipt yesterday of your marked up blueprint of Orangeburg county showing line extensions made since your first set of maps were delivered in January.

I have referred to Mr. Grover Croft the main question we discussed yesterday regarding rights to distribution lines in existence on July, 1969, but since dismantled. This question has not been discussed before, and I am not in a position to answer it.

Regarding the meaning of your signature on the mylar films to be filed with the commission, we only interpret this as your acceptance of the accuracy of the map insofar as your lines and our lines are concerned. You do not relinquish any rights to any territory nor do you indicate approval of any other suppliers' lines.

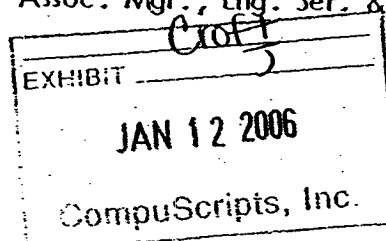
And lastly, we will be happy to furnish you the prints of the Orangeburg county mylar as soon as we have completed recording the information you are interested in checking. As you saw, the mylar is not yet complete, as we still have mapping teams doing field checking. Let me assure you that it is not our intent to rush you into a hasty approval, and you will have all the time necessary to check the prints before you sign them.

Thank you again for delivering the updated prints, and I look forward to working with you further on this project.

*A. J. Perrone, Jr.*  
A. J. Perrone, Jr.  
Assoc. Mgr., Eng. Ser. & Constr.

AJP/jfp

cc: Mr. G. C. Croft



SCE&G  
631

SOUTH CAROLINA ELECTRIC & GAS COMPANY

Inter-Office Correspondence

Engineering Service Section  
(Office)

Subject: Visit from Mr. James F. Bell  
Aiken Electric Cooperative

Date: September 17, 1970

To: Mr. G. C. Croft

Attention of

As anticipated, Mr. James Bell delivered the print of the Orangeburg county map yesterday marked up to show the line extensions they have completed since he delivered the first set of maps in January.

Also, as anticipated, he had more on his mind than delivering the prints. He had several questions which I answered tentatively or non-committally. The main question pertained to his interpretation of one point of the law, and I am referring it to you for an answer. The questions were as follows:

- (1) Mr. Bell stated that the maps he furnished us previously showed lines that were in service in July, 1969, but have since been dismantled. He wants those lines shown on the mylar and wants to claim rights to the area the line covered even though they are no longer in existence. Also, where they have re-routed distribution lines from cross-county or open-field to locations bordering existing roads, he wants to claim the original route as well as the new route. I personally disagree with his views, but I refrained from answering him.
- (2) He wanted to qualify his approval of the mylar maps to include only our lines shown in the areas of expected contention bordering our territories. I explained to him that his signature on the map only implied his acceptance of the accuracy of the map insofar as his lines and our lines were concerned.
- (3) He also requested that prints of the Orangeburg county mylar be furnished him as soon as possible so that he could begin field checking our lines. I explained to him that the mylar was not nearly complete yet, but as soon as we had our lines shown we would send him copies. I assured him that, in any event, he would have all the time needed to check the maps and we had no intention of rushing him into a hasty approval.

Mr. Bell also asked to see the mylar of Orangeburg county, which I showed him, and was very complimentary of the quality of the work. He indicated surprise that most of the additions he was reporting by the print he brought in were already shown on the mylar.

*A. J. Perrone, Jr.*  
A. J. Perrone, Jr.

EXHIBIT	<i>L Croft</i>
JAN 12 2006	
CompuScripts, Inc.	

cc: C. J. Fritz, H. G. Boylston, B. M. Smith, D. R. Tomlin

SCE&G

SOUTH CAROLINA ELECTRIC & GAS COMPANY

POST OFFICE BOX 764

COLUMBIA, S. C. 29202

March 18, 1971

Mr. James Bell  
Director, System Planning  
Aiken Electric Cooperative, Inc.  
P. O. Box 417  
Aiken, South Carolina 29801

Dear Mr. Bell:

This is to confirm our telephone conversation of yesterday concerning the signing of the mylar map of Orangeburg County. I hope that Mr. Thomson will see fit to approve the map as is after you and he have had a chance to study it.

The fact that the line in question is shown on the map, in my opinion, simply means that the line does exist. The service rights on this line will have to be determined in our negotiations.

I will be glad to come back to pick up the mylar map at your office if Mr. Thomson does see fit to approve it. I am anxious to get this map signed and filed with the South Carolina Public Service Commission. My negotiations with Edisto Electric Cooperative cannot progress until this map has been filed.

Tell Mr. Thomson that I hope his broken arm is mending rapidly and was sorry to hear about his misfortune.

Yours sincerely,

*Grover C. Croft, Jr.*

Grover C. Croft, Jr., Director  
Distribution Special Projects

GCC:js

cc: Mr. C. J. Fritz  
Mr. H. G. Boylston  
Mr. B. M. Smith  
Mr. D. R. Tomlin  
Mr. A. J. Perrone

EXHIBIT <i>N</i> <i>Croft</i>
JAN 12 2006
CompuScripts, Inc.

# SOUTH CAROLINA ELECTRIC & GAS COMPANY

Inter-Office Correspondence

## Distribution Operations

(Office)

Subject Fifth Meeting on Territorial Assignment  
Edisto Electric Cooperative

Date October 9, 1970

To Messrs. C. J. Fritz  
H. G. Boylston  
D. R. Tomlin  
B. M. Smith  
A. J. Perrone  
J. N. Liston  
L. H. Perry

Attention of

Our fifth meeting on territorial assignment was held this date in Denmark at our Service Center at 10:00 a.m. Mr. Bob Smith, General Manager, and Mr. James Crider, Power Use Advisor, and Mr. Barney Snowden, Southern Engineering Company, represented Edisto Electric Cooperative. Mr. Don O'Quinn, Mr. Jim Liston, Mr. Leon Perry, and myself were present for our company.

After introductions all around, I explained to Barney the job assignments of Leon Perry, Jim Liston, and Don O'Quinn and their reason for being present at the meeting. By way of introduction of himself, Barney Snowden told of Southern Engineering's relationship with the state co-op organization and told of representing individual co-ops in negotiations. Also he talked about his activities in North Carolina in negotiating for territory assignment. Barney is a native of Charleston, South Carolina, and is a Clemson graduate in the Class of 1932. The Charleston City Engineer is Barney's brother.

Barney went through a lengthy discussion on boundary choices indicating the advantages of natural boundaries and the use of aerial photos to establish these so that they can be found in the field. In fact, Barney talked so much and so fast until we found it difficult to get adequate notes. Barney emphasized the point that it would be essential to pick boundaries that could be located in the field. Barney said he felt like we should recognize that whatever we did in these meetings so far as territorial assignment, although agreed to by us at the meeting, would be subject to final approval by the co-op's board of directors and by the management of the utility involved.

Bob and Barney then produced a Bamberg County map showing what they would concede to South Carolina Electric and Gas Company. This map also outlined the boundaries between Edisto Electric and the other Cooperatives in Bamberg County. Discussion of the map brought up again the idea of freezing lines. We explained to Barney that we felt that the definition of a frozen line should mean exactly what it says, that we felt that this should terminate any further additions of customers to the line that was frozen.

EXHIBIT

JAN 12 2006

SCE&G  
912

Barney and Bob took violent exception to this. In fact, this upset Barney considerably. He talked at great length about this. He reacted in about the same way that Sherwood Smith and John Hicks did in the meeting that we had with them. Barney feels that with this sort of definition of freezing that their whole concept of dividing territory would be changed. He also felt that the law made the 300-foot corridor on each side of an existing line the right of the supplier that could not be taken away. Barney said this idea had never come up before and it was a real big question and that he would have to discuss this with Carlisle Roberts. He made himself a sketch, a copy of which is attached to this report, to pin down exactly what we are saying and to thoroughly understand what we meant by our definition. It is my opinion that in a day or two, after Barney has had a chance to talk with Carlisle, that we will hear loud screams from the co-op. During the course of the meeting, Barney came back to this subject three or four times and went over the whole thing again. I did not give in on our stand but promised simply to discuss it once again with my management.

The second major point of discussion that took place had to do with the 46 KV lines and their rights. After much discussion about this, Barney asked me a point blank question. He asked if we intended to claim that all 46 KV lines were distribution lines. I answered him in the affirmative. I stated that these were lines recognized by the law and in some cases we possibly would not have the 300-foot corridor or assigned exclusive area, but that we intended to negotiate for the right to serve with unassignment as the bottom of the barrel anywhere along these lines.

At a time later in the discussion, Barney made the statement that unassignment would certainly avoid arguing at length about whether a 46 KV line qualified as a distribution or basically as a bulk transfer power line. It is my opinion that Barney is more receptive to unassignment along the 46 KV than Bob Smith is. Each time we talked about the 46 KV line, particularly along Highway 78 from Bamberg to Branchville, Bob refused to give any consideration to this at all. We discussed at length assignment of the area along the Edisto River to South Carolina Electric and Gas because of the large industrial potential involved. We then moved over to the 46 KV line along Highway 321 all the way across Bamberg County. We stated that we construed this as a distribution line and stated the reason for it being the retail customers that we are serving off of it. The short section between Govan and Denmark where we do not have under build and where the co-op has a line paralleling Highway 321 on one side and we parallel it with the 46 on the other was the subject of lengthy discussion. We reached no real agreement on this either.

At the last meeting I had insisted that both parties bring a map outlining closer our feeling of how the whole county should be divided. I presented a map to the committee that I thought was realistic. The committee agreed basically with the map. Later in the week I had a discussion with Harry Lightsey and showed him the map to bring him up to date on what we proposed to do. Marion Smith attended this meeting with me. Harry convinced me that putting

this whole bundle of wax on the table at this time with Edisto not having made any more move than they had would have been a mistake, that we should not give them the whole bundle of wax at one time in that manner. Not having an opportunity to review this again with the committee before our meeting, I chose to leave the map in Columbia and not take one at all.

Bob and Barney asked if I had the map with me showing what we thought would be proper division and I said I did not. Bob seemed to feel that this was doing him an injustice and that if he had known I was not going to bring one, he would not have brought one himself. I told Bob that I had discussed this with my committee, and the fact that he had not been willing up to this point to give us any indication of what he would actually concede, my committee felt like that we should not go any further until he made this move.

The meeting was recessed for lunch and we went separately to eat so that we could both discuss our interest.

After lunch our discussion centered around the area around Bamberg and along the Edisto River so far as assignment in this area was concerned. I insisted on assignment to South Carolina Electric and Gas Company of the area along the Edisto River from Finland to 301-601 Highway at Bamberg. I insisted that we would take nothing less than assignment to us in this area because of the industrial development potential there. Bob and Barney argued against this strongly and would not agree to it as assigned to South Carolina Electric and Gas. He argued that the law gave us the right to get to any large industry that might come into this area and by assigning it to the co-op we would not cut ourselves out. I feel we must stand firm for assignment in this area. Around Bamberg, I insisted that we would have to have the right to serve around this area. I stated that Bamberg was a municipality of considerable size in which we had a very keen interest, that we stood ready to purchase this municipality if they so desired and that we would not give up in this area the right to serve. Bob Smith objected completely to this and would not go along with it at all. I also insisted that we would do nothing less from Bamberg down to where our 46 KV line crosses the Edisto River between Highway 78 and Edisto than unassignment. We insisted, because of industrial potential in this area, on the right to get in there and serve. Bob objects violently to this. We maintained that we were going to have to have unassignment along the 46 KV line.

Barney requested a set of sepia prints of the adjoining counties in which Edisto Electric serves so that he could compile a composite map of the entire service area. He feels that we should have this available at the negotiating table for reference. I agreed to sending him the sepias and will attempt to do so immediately.

Bob Smith made the point that he wanted it clearly understood that he did not intend to agree with a division along the fingers sticking out down 601 and down 321, that would constitute taking a half-way distance between what we had previously committed to him and what he had just committed to us as a solution to this problem. He indicated that except for some minor changes in the line that they had drawn that this was all that they intended to give.

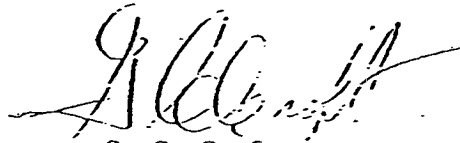
Fifth Meeting on Teritorial Assignment  
Edisto Electric Cooperative  
October 9, 1970

Page 4

Barney discussed briefly what he thought would happen if we handed Bamberg County to the Public Service Commission and asked them to divide it up. He did not feel that this would be a good approach at all.

At the conclusion of the meeting, Barney once again re-discussed the frozen line concept and we went through that whole bundle of wax one more time.

It was the opinion of my group that we had made more progress in this meeting with Barney than we had in all the other four put together. At this stage in the game I feel that having Barney present has had a distinct advantage in moving this negotiation along. It is my opinion that the biggest problem we now have is going to be the area around Bamberg and along the Edisto River. Also we did not discuss and still will have some problems in the quadrant to the northwest of Denmark.



G. C. Croft

GCC:ac

Attachment

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-273-E**

**IN RE:**

Aiken Electric Cooperative, Inc.,  
Complainant,  
vs.  
South Carolina Electric & Gas  
Company,  
Respondent.

**REBUTTAL TESTIMONY OF GARY**  
**STOOKSBURY**

1 **Q: Please state your name and your business address for the**  
2 **Commission.**

3 A: Gary Stooksbury, Aiken Electric Cooperative, Inc., Post Office Box 417,  
4 2790 Wagener Road, Aiken, South Carolina, 29802.

5 **Q: Did you previously file Direct testimony in this matter?**

6 A: Yes.

7 **Q: As the Chief Executive Officer Of Aiken Electric Cooperative what**  
8 **does your position entail?**

9 A: I am ultimately responsible for the day to day activities of the  
10 Cooperative. This includes not only managing the Cooperative but also,  
11 reviewing maps of Aiken Electric's service territory, determining  
12 Cooperative service rights, and keeping abreast of legal and statutory

1 issues that affect Aiken Cooperative and its members. Additionally, as  
2 the Chief Executive Officer of Aiken Electric, I have authority to speak on  
3 behalf of the corporate entity through my pre-filed and rebuttal  
4 testimony with the Commission.

5 **Q: Have you reviewed the pre-filed testimony of the SCE&G witnesses?**

6 A: Yes.

7 **Q: Do you agree with the statements in Russell Harris's pre-filed**  
8 **testimony?**

9 A: No, there are several areas in Russell Harris's pre-filed testimony that I  
10 do not agree with based on my recollection and the facts currently before  
11 the Commission. For example on P. 5 l. 18 – P. 7 l. 9, Mr. Harris testifies  
12 that it was his understanding that I accepted SCE&G's offer to  
13 characterize the 46kV line as distribution. This is simply not the case, at  
14 no time did Aiken Electric ever agree with SCE&G that the 46kV tie line  
15 extending in front of the Norway Medical Clinic and Hunter Kinard Tyler  
16 School (HKT) carried corridor rights. Additionally, I am not aware of any  
17 executed contractual agreement indicating that the 46kV line is  
18 distribution.

19 On P. 2 l. 20 - P. 6 l. 2, Mr. Hammond also testifies that I informed him  
20 that I was not certain whether the 46kV line was located on the A-sheets.  
21 I do not believe this is an accurate statement as I never informed him  
22 that Aiken was uncertain if the line was on the A-sheets. This statement  
23 is highly unusual as Aiken Electric has no reason to be concerned about

1 whether the line was located on the A-sheets. Rather, Aiken was  
2 concerned about whether the line was being used for transmission  
3 purposes on July 1, 1969. As A-sheets contain transmission and  
4 distribution lines, the fact that a line may or may not be located on a  
5 map has no bearing on whether the line was used for distribution or  
6 transmission as of July 1, 1969.

7 As stated in my initial pre-filed testimony, SCE&G asserted the same  
8 argument in the Palmetto matter<sup>1</sup> and the Commission specifically  
9 rejected SCE&G's position in Commission Order No 2003-635 attached  
10 to my initial pre-filed testimony as Exhibit D, the maps are not binding  
11 contracts.

12 I also disagree with Mr. Harris's new contention on P. 7 l. 10 - P. 9 l. 18,  
13 that he did not intend to bind SCE&G with the statements in his  
14 November 8, 2000 letter to Aiken Electric. Although, Mr. Harris now  
15 appears to change his position, the letter speaks for itself, Mr. Harris  
16 specifically represented to Aiken Electric:

17 In your letter to Tom Arthur and in our meeting, you  
18 referenced the PSC ruling on Blue Ridge v. Duke. In  
19 that case, the particular transmission line carried no  
20 corridor. I am familiar with the ruling, and also that  
21 Duke filed an appeal.

22  
23 **In the interim, SCE&G will serve no additional**  
24 **customers from the existing line that serves the**  
25 **Hunter-Kinard-Tyler School and the Norway**  
26 **Medical Clinic, where it was determined that**  
27 **service rights were obtain (sic) from the 46kV line.**  
28

---

<sup>1</sup> See SCE&G v. Palmetto Electric Cooperative, 2002-192-E.

1 Sincerely,  
2 Don R. Harris  
3

4 cc: Clarence Wright  
5 Catherine Taylor  
6

7 (See Exhibit F to my Pre-Filed Testimony)(emphasis added).  
8

9 Clearly, Mr. Harris was referring to my contentions regarding the  
10 Commission's ruling in the Duke v. Blue Ridge case, not some generic  
11 settlement offer. Otherwise, Mr. Harris would have never stated that  
12 SCE&G would not assert additional corridor rights until the Appellate  
13 Court addressed the issue.

14 Additionally, I disagree with Mr. Harris's statement that he did not  
15 intend to bind SCE&G with his statement in the above letter. He  
16 represented to me that he was authorized to speak on behalf of SCE&G,  
17 in fact, he even copied SCE&G's legal counsel Catherine Taylor on the  
18 letter. Had he not been authorized to limit SCE&G's rights on the line, or  
19 his assertion premised on a settlement of some sort, SCE&G would have  
20 retracted the letter. To my knowledge, they have not; accordingly, the  
21 document speaks for itself.

22 The South Carolina Supreme Court has now addressed the issue  
23 affirming Aiken Electric's understanding in the correspondence with Mr.  
24 Harris. As I stated in my deposition, for a line to possess a corridor, it  
25 must have been used for distribution purposes as of July 1, 1969.  
26 SCE&G's 46kV line extending in front of the HKT School and Norway  
27 Medical Clinic does not possess a corridor as it was used for nothing

1 more than transmission, linking and tying SCE&G's facilities in Norway  
2 to Springfield, South Carolina.

3 **Q: Have you reviewed Exhibit 7 to Mr. Croft's deposition?**

4 A: Yes, it is my understanding from reviewing the records between SCE&G  
5 and Aiken Electric that both providers agreed that *tie lines* did not carry  
6 corridor rights. The territorial agreement specifically states that:

7 **Tie lines, which are lines built not to serve**  
8 **customers but to connect two portions of an**  
9 **electric supplier's system, shall not receive**  
10 **corridor rights.**  
11

12 See, Exhibit X to my Rebuttal Testimony, 1971 Power Company/Electric  
13 Cooperative Agreement (emphasis added).

14 **Q: Do you agree with the Statements in Mr. Young's pre-filed**  
15 **testimony?**

16 A: No, throughout P. 3 l. 4 - P. 13 l. 17, Mr. Young completely ignores the  
17 present facts before the Commission in order to reach a conclusion that  
18 supports SCE&G's position in this matter. SCE&G has criticized my  
19 testimony moving to strike a great majority of my pre-filed testimony as I  
20 was not involved in the territorial assignment process. Mr. Young started  
21 with SCE&G in 1975, after the territorial assignment process was  
22 concluded, as such he has no personal experience dealing with territorial  
23 assignment yet proffers a present day opinion based upon Federal  
24 Energy Regulatory Commission standards to determine what the status

1 of a line under South Carolina law during territorial assignment in 1969  
2 to 1973 may have been.

3 Unlike Mr. Young, Aiken Electric contends that the Commission should  
4 use the factors that the South Carolina Supreme Court used in the Duke  
5 v. Blue Ridge case in order to determine whether the line serving the HKT  
6 school and the Norway Medical Clinic carried a corridor as it existed on  
7 July 1, 1969.

8 Gary Stooksbury  
9 Chief Executive Officer

SEP 18 1970

SOUTH CAROLINA ELECTRIC & GAS COMPANY

POST OFFICE BOX 764

COLUMBIA, S. C. 29202

September 17, 1970

Mr. James F. Bell  
Director, System Planning  
Aiken Electric Cooperative, Inc.  
P. O. Box 47  
Aiken, South Carolina

Dear Mr. Bell:

This will acknowledge receipt yesterday of your marked up blueprint of Orangeburg county showing line extensions made since your first set of maps were delivered in January.

I have referred to Mr. Grover Croft the main question we discussed yesterday regarding rights to distribution lines in existence on July, 1969, but since dismantled. This question has not been discussed before, and I am not in a position to answer it.


Regarding the meaning of your signature on the mylar films to be filed with the commission, we only interpret this as your acceptance of the accuracy of the map insofar as your lines and our lines are concerned. You do not relinquish any rights to any territory nor do you indicate approval of any other suppliers' lines.

And lastly, we will be happy to furnish you the prints of the Orangeburg county mylar as soon as we have completed recording the information you are interested in checking. As you saw, the mylar is not yet complete, as we still have mapping teams doing field checking. Let me assure you that it is not our intent to rush you into a hasty approval, and you will have all the time necessary to check the prints before you sign them.

Thank you again for delivering the updated prints, and I look forward to working with you further on this project.

16

EXHIBIT	Bell
NOV 10 2005	
Common Scripts, Inc.	
AIP/ito	

  
A. J. Perrone, Jr.  
Assoc. Mgr., Eng. Ser. & Constr.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

POST OFFICE BOX 764

COLUMBIA, SOUTH CAROLINA 29202

XXXXXX 29218

July 12, 1974

C  
Mr. James F. Bell, Director  
System Planning  
Aiken Electric Cooperative, Inc.  
Post Office Box 417  
Aiken, South Carolina 29801

Dear Jimmy:

O  
At our meeting on July 10, you said that you had not received a copy of the agreement between the power companies and the electric cooperatives in South Carolina regarding certain principles, one of which has reference to corridor rights built solely to serve a single security light.

D  
Y  
Enclosed is a copy of a letter written by Bob Bennett indicating approval of the agreement by the S. C. Electric Cooperative Association, Inc. Also enclosed is a zerox copy of the agreement showing the initials of R. D. Bennett for the Cooperative Association, C. J. Fritz for SCE&G, John D. Hicks for Duke Power Co., and the signature of Sherwood Smith representing Carolina Power and Light Co.

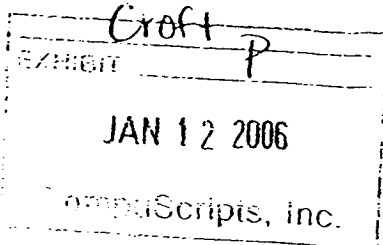
It is our understanding that the cooperatives, including Aiken Electric, have honored the agreement since the date of the Association's approval on November 10, 1971. SCE&G has likewise adhered to the five principles since that date. I hope this has clarified our company's position regarding the agreement.

If you have any further questions concerning the agreement or need additional copies, please let me know.

Sincerely yours,

*Robert D. Hazel*

Robert D. Hazel  
Executive Assistant to the  
Senior Vice Pres. - Admin.



RDB/ab

Encls. (2)

cc: Messrs. C.J. Fritz, G.H. Fischer, B.M. Smith, H.G. Boylston,  
D.R. Tomlin, G.C. Croft, A.J. Perrone, J.H. Fowles

SCE&G

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The power companies and distribution electric cooperatives serving in South Carolina, a desire to lessen areas of controversy pending area assignment by the Public Service Commission of South Carolina, have tentatively agreed to the following principles:

1. Corridor rights will not be asserted with respect to a line built solely to serve a single security light.
2. A line built to provide temporary service for construction of a premises shall not receive 300' corridor rights unless and until permanent service is rendered at the construction site. If permanent service is later rendered from the line at another site to premises which the supplier had a right to serve otherwise, then, up to the point of permanent service, the line shall receive normal corridor rights. Permanent service shall commence when the service wires of the electric supplier shall be connected to the permanent service entrance on the premises on request of the then legal titleholder of the premises or his authorized representative.
3. Tie lines, which are lines built not to serve customers but to connect two portions of an electric supplier's system, shall not receive corridor rights. Neither will such line be protected from service by another supplier within 300' of it nor may service be rendered from such line within 300' of another electric supplier's line. Lines built from a tie line to serve customers shall receive normal corridor rights from the point of connection with the tie line to the service drop of the customer.
4. The point from which the 300' corridor shall be measured shall be the conductor whether it be on a crossarm or on the pole.
5. The foregoing principles shall govern and control electric suppliers in South Carolina for all situations developing after the date final agreement upon the principles is reached.

Nov. 16<sup>th</sup>, 1971  
R.D.B.

Dec 11/23/71

Duke Power Company

Nov. 27, 1971

J. C. Cawley, President  
H. C. Cawley, Secretary  
12/30/71, SCE&C  
685

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-273-E**

**IN RE:**

Aiken Electric Cooperative, Inc.,

Complainant,

vs.

South Carolina Electric & Gas Company,

Respondent.

**PREFILED TESTIMONY OF**

**PHIL LINDSAY**

- 1    **Q:    Please state your name and your business address for the Commission.**
- 2    A:    Phil Lindsay, 647 Chanterella Road., S.W. Lilburn, Georgia 30047.
- 3    **Q:    Please state your employment background?**
- 4    A:    I worked for Southern Engineering from 1968 through 2000.
- 5    **Q:    What was your position with Southern in 2000?**
- 6    A:    I was the acting President at the time the company was sold in 2000.
- 7    **Q:    What is Southern Engineering?**
- 8    A:    Southern Engineering was an engineering firm retained by South Carolina electric  
9        cooperatives, such as Aiken Electric, during the territorial assignment time period.
- 10   **Q:    Did Southern work for Aiken Electric during the late sixties and early seventies?**
- 11   A:    Yes, during the late sixties to early seventies Southern participated in the Territorial  
12        Assignment negotiations on behalf of the Aiken Electric Cooperative.

1    **Q:    Did Southern retain documents such as copies of maps, letters, memorandums, etc.,**  
2           **concerning the territorial assignment negotiations with SCE&G?**

3    A:    Yes, Southern kept numerous records relating to the South Carolina territorial  
4           assignment.

5    **Q:    Did Southern retain records relating to Aiken Electric's territory?**

6    A:    Yes, Southern kept a file of documents relating to the work it performed on behalf of  
7           Aiken Electric.

8    **Q:    Have you reviewed documents bates numbered AEC0892-1053.**

9    A.    Yes, I have reviewed those documents. The above referenced documents are the Aiken  
10          Electric territorial assignment file of Southern Engineering containing the  
11          correspondence, notes, memoranda, and copies and other documents prepared or used by  
12          Southern Engineering when it assisted Aiken Electric in negotiating the original  
13          territorial assignment between 1970 and 1974.

14   **Q.    Would Southern Engineering have kept such documents on behalf of Aiken Electric**  
15          **in its ordinary course of business?**

16   A.    Yes, Southern archived these documents for Aiken up until approximately 2000.

17   **Q:    What occurred in 2000, is Southern Engineering still in existence today?**

18   A:    Southern Engineering was purchased by Clough Harbour & Associates in the fall of  
19          2000. At the time of acquisition, Southern Engineering agreed to transfer all the  
20          Cooperatives' territorial assignment and related records to Central Electric Power  
21          Cooperative for continued safekeeping and preservation.

22   **Q:    Were the documents delivered to Central in their historic condition?**

1 A: Yes, there is nothing about the documents that would lead me to believe that the  
2 documents are not authentic.

3 Q: **Why were the documents sent to Central?**

4 A: I believe that Central requested the documents from Southern as Central is a  
5 transmission and generation cooperative centrally located in South Carolina for storage  
6 purposes.

7 Q: **Have the documents been in existence for over 20 years?**

8 A: Yes, in fact most of the documents date back more than thirty years.

9 Q: **Did Southern Engineering regularly keep such records in the ordinary scope of it**  
10 **business?**

11 A: Yes, such materials have been saved and archived by both Southern and Central.

12 Q: **What are your duties as the acting President and Chief Executive Officer of**  
13 **Southern?**

14 A: I was ultimately responsible for the day-to-day operations of the business and supervision  
15 of Southern's business activities post merger.

16 Q: **Have you ever testified as an expert witness before?**

17 A: Yes. I have testified in 101 negotiation sessions between independent owned utilities and  
18 electric cooperatives throughout Georgia and Alabama.

19 Q: **Please tell the Commission about your educational background.**

20 A: In 1966, I attended Dekalb College outside of Atlanta Georgia .

21 Q: **When did you begin working at Southern?**

22 A: In 1968 I began working with Southern Engineering as a Draftsman. However, later that  
23 same year I was sent to Vietnam. After returning from Vietnam in 1970 I resumed my

1 position at Southern Engineering as a draftsman. As a draftsman I had extensive  
2 experience reviewing and mapping transmission and distribution lines. As part of our  
3 mapping program we commonly used the mid point analysis where we would divide  
4 territory based on utilities in existence as of the territorial assignment date.

5 **Q: When were you promoted from that position?**

6 A: Later in the seventies I was promoted to managing the engineering firm's mapping  
7 department and field crews. As the mapping and field crew manager I supervised  
8 several engineers that participated in the territorial assignment process by marking  
9 distribution and transmission facilities. Additionally, I negotiated and designed territorial  
10 assignment in Georgia, South Carolina, Alabama, Indiana, Ohio and Virginia.

11 **Q: When were you promoted from that position?**

12 A: In the Mid-Eighties I became Vice President of Southern Engineering's Operations  
13 department.

14 **Q: When were you promoted from that position?**

15 A: In 1998 I became the acting President until the company was sold in 2000.

16 **Q: Did you work on behalf of the Electric Cooperatives in South Carolina during the**  
17 **Territorial assignment period?**

18 A: Yes, I worked in Lexington, Beaufort, Berkley, Laurens, and Horry county during the late  
19 sixties and early seventies.

20 **Q: Did you participate in the territorial assignment negotiation process with SCE&G?**

21 A: Yes.

22 **Q: Do you understand what this case is about?**

1 A: Yes, it is my understanding that SCE&G asserts that it has the right to serve the Hunter  
2 Kinard Tyler School based off of a 44kV or 46kV bulk transmission line running through  
3 Aiken Electric's territory.

4 Q: Do you have an expert opinion as to whether the line in question carried corridor  
5 rights at the time of territorial assignment?

6 A: It is my experience through being involved with territorial assignment throughout the  
7 Southeastern United States that that most distribution lines in the late sixties carried less  
8 than 25kV voltage. In fact, the majority of distribution voltage at that time in history was  
9 around 14kV to 25kV.

10 Q: When you were stationed in South Carolina during the territorial assignment  
11 period, taking part in the negotiations, were you aware of any SCE&G distribution  
12 lines carrying 44-46kV load?

13 A: No, such a high load would be unusual for a distribution line.

14 Q: What voltage do the maps indicates that SCE&G's line carried at the time of  
15 territorial assignment?

16 A: I have reviewed the Exhibits A and B to Mr. Stooksbury's testimony, Exhibits M, N, and  
17 O to Mr. Bell's testimony and Exhibits R and S to Mr. Calcaterra's testimony. The maps  
18 indicate that SCE&G's transmission line carried a 44kV or 46 kV load at the time of  
19 territorial assignment. The mere fact that the line in question was a 44kV or 46kV power  
20 line leads me to believe that the subject line was a transmission line at the time of  
21 territorial assignment as that type of voltage would indicate bulk transmission power  
22 rather than distribution power. Additionally, I do not see any service drops reflected on  
23 any of the maps indicating that SCE&G provided a customer with power off of the line in

1 question. If the line was actually a distribution line at the time of territorial assignment, I  
2 would expect to see service drops, sometimes called secondary facilities, indicated on the  
3 map. This would indicate that the line was actually used to distribute power to  
4 customers, rather than to transfer power between two sub-stations. For example, looking  
5 at Aiken's line on the map, the distribution line has service drops to customers.  
6 SCE&G's line has no service drops, it merely connects two substations with a voltage  
7 load of 44-46kV. This indicates that it was a transmission line at the time of territorial  
8 assignment.

9 **Q: In what places outside of South Carolina did you work with electric utilities on**  
10 **territorial assignment issues?**

11 **A:** I worked with cooperatives in negotiating initial territorial assignment or presenting  
12 assignment items to public utilities commissions in Virginia, Georgia, Alabama, Ohio  
13 and Indiana.

14 **Q: From your national experience concerning territorial assignment in Georgia,**  
15 **Alabama, Virginia, Ohio, Indiana, and most importantly, South Carolina, are you**  
16 **aware of any electric providers that used 44-46 kV as distribution line?**

17 **A.** I am unaware of any electric provider using 44-46kV transmission line for distribution  
18 power in the 1960s and early 1970s other than one isolated incident in Georgia where a  
19 utility served a household off of a 44kV line in order to gain the territory through the  
20 territorial assignment process.

21 **Q: In reviewing SCE&G's line on the territorial assignment maps, do you see any**  
22 **service drops indicating that SCE&G was serving a premises or household as of**  
23 **July 1, 1969?**

1 A: No.

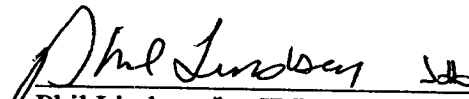
2 Q: Does this conclude your testimony?

3 A: Yes.

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Phil Lindsey /by JDB